

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

Ryan Dellone ,

CASE NO: 1:23-CV-01408-ADA-HBK

vs.

SUMMONS IN A CIVIL CASE

Coinbase, Inc. , et al. ,

**TO: 2.05698427 Bitcoins, Coinbase Global, Inc.,
Coinbase, Inc.**

Defendant's Address:

YOU ARE HEREBY SUMMONED and required to serve on:

**Ethan Mora
The Law Office of Ethan Mora
1040 E. Herndon Ave., Ste 103
Fresno, CA 93720**

an answer to the complaint which is served on you with this summons, **within 21 days after service of this summons on you**, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. Any answer that you serve on the parties to this action must be filed with the Clerk of this Court within a reasonable period of time after service.

KEITH HOLLAND

CLERK

/s/ J. Xiong

(By) DEPUTY CLERK



**ISSUED ON 2023-09-27 10:34:10
CLERK, USDC EDCA**

RETURN OF SERVICE

Service of the Summons and complaint was made by me ⁽¹⁾	DATE
NAME OF SERVER (<i>PRINT</i>)	TITLE

Check one box below to indicate appropriate method of service

- ☐ Served personally upon the defendant. Place where served: _____

- ☐ Left copies thereof at the defendant's dwelling house or usual place of bode with a person of suitable age and discretion then residing therein.
- ☐ Name of person with whom the summons and complaint were left: _____
- ☐ Returned unexecuted: _____

- ☐ Other (specify) : _____

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
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DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on _____
Date

Signature of Server

Address of Server

CIVIL COVER SHEET

Case 1:23-cv-01408-ADA-HBK Document 1-1 Filed 09/26/23 Page 1 of 1

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

RYAN DELLONE

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

The Law Office of Ethan Mora
1040 E. Herndon Ave., Suite 105, Fresno, CA 93720
Telephone: (559) 370-1485

DEFENDANTS

COINBASE, INC., COINBASE GLOBAL, INC., and DOES 1-50; and 2.05698427 BITCOINS, and digital currencies

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 INTELLECTUAL PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Electronic Fund Transfer Act, 15 U.S.C. §§1693 et seq. ; Computer Fraud and Abuse Act, 18 U.S.C. § 1030

Brief description of cause:

Failure to make disclosures, provide notices, summary of rights, reimbursement for fraud; damage to mobile device, computer, digital information

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$
540,000

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE

Sep 26, 2023

SIGNATURE OF ATTORNEY OF RECORD

/s/ Ethan E. Mora

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

The Law Office of Ethan Mora
Ethan E. Mora (SBN 317937)
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Fresno, CA 93720
Telephone: (559) 370-1485

Attorney for Plaintiff RYAN DELLONE

**THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA**

RYAN DELLONE, an individual,

Plaintiff,

v.

COINBASE, INC., COINBASE GLOBAL,
INC., and DOES 1-50; and 2.05698427
BITCOINS and various other digital currencies,

Defendants.

Case no. _____

COMPLAINT

1. VIOLATION OF EFTA – 15 U.S.C. §§1693, ET. SEQ.
2. VIOLATION OF CFAA – 18 U.S.C. § 1030, ET. SEQ.
3. VIOLATION OF CCPA – CAL. CIV. CODE §§ 1798.100, ET SEQ.
4. VIOLATION OF SHINE THE LIGHT LAW – CAL. CIV. CODE §§ 1798.83, ET SEQ.
5. VIOLATION OF CAL. PEN. CODE §496
6. CONVERSION (DOES 1-50)
7. TRESPASS TO CHATTELS (DOES 1-50)
8. TRESPASS TO CHATTELS (COINBASE)
9. NEGLIGENCE
10. BREACH OF IMPLIED CONTRACT
11. BREACH OF GOOD FAITH AND FAIR DEALING
12. INTENTIONAL MISREPRESENTATION
13. GROSS NEGLIGENCE
14. VIOLATION OF CLRA – CAL. CIV.CODE §§ 1770, ET SEQ.
15. VIOLATION OF CAL. BUS. & PROF. CODE § 17200 – UNFAIRNESS PRONG
16. VIOLATION OF CAL. BUS. & PROF. CODE § 17200 – UNLAWFUL PRONG
17. UNJUST ENRICHMENT
18. DECLARATORY JUDGMENT
19. CONSTRUCTIVE TRUST
20. REPLEVIN / DETINUE

DEMAND FOR JURY TRIAL

INTRODUCTION

1. This action arises out of: **(i)** material misrepresentations made by Coinbase and its employees concerning Coinbase’s security, user-authentication practices, and its intention and ability to perform the duties it owed Plaintiff; **(ii)** Defendants’ unlawful interferences with Plaintiff’s personal property and privacy rights; **(iii)** Coinbase’s egregious mishandling of Mr. Dellone’s sensitive, personal, confidential, and financial information; and **(iv)** Coinbase’s persistent failure to implement appropriate security and customer support measures reasonably designed to detect, prevent, and address fraud and unauthorized electronic fund transfers affecting retail consumer financial accounts hosted on the Coinbase Platform.

2. Defendant Coinbase is a publicly-traded financial institution that operates the largest online cryptocurrency exchange platform in the United States (the Coinbase “Platform”). Coinbase’s users (or customers) can use the Coinbase Platform and Coinbase’s other products and services to transact in over 100 unique digital assets, including cryptocurrencies like Bitcoin, as well as virtual “tokens,” and U.S. dollar-denominated financial instruments like “USD Coin.”

3. Coinbase’s primary source of revenue is “transaction revenue,” which Coinbase generates from transaction fees Coinbase charges to facilitate transactions on its Platform.

4. Plaintiff Ryan Dellone opened an online account with Coinbase (his Coinbase account) in October 2013. Mr. Dellone used his Coinbase account to store and transact using various digital assets offered to him by Coinbase on the Coinbase Platform.

5. In his first eight years as a Coinbase customer, Mr. Dellone’s Coinbase account had never been breached. That changed just eight months after Coinbase turned public.

6. On December 14, 2021, while Mr. Dellone was sleeping, DOES 1-50 (cyber-criminals; scammers, hackers, and other presently unnamed tortfeasors) breached Mr. Dellone’s Coinbase account and, within minutes, initiated over twenty highly-suspicious transactions, all in rapid succession. Coinbase promptly facilitated each and every one of these transactions, which essentially liquidated, or consolidated into Bitcoin, nearly all of the unique digital assets Mr. Dellone had spent the better part of a decade acquiring.

7. After Mr. Dellone’s assets had been fraudulently consolidated, Coinbase irreversibly

1 transferred ostensibly the entire balance of Mr. Dellone’s Coinbase account—which, at that
2 point, was in the form of more than 2.05 Bitcoin—directly to DOES 1-50, without Mr. Dellone’s
3 knowledge, consent, or permission, and through no fault of his own, all in a single, near-
4 instantaneous, peer-to-peer electronic fund transfer worth approximately \$100,000 at the time.

5 8. In addition, Defendants (Coinbase and DOES 1-50) used Mr. Dellone’s Coinbase
6 account to withdraw money from Mr. Dellone’s online bank account, which was connected to
7 the Coinbase Platform. The “digital dollars” Defendants transferred from Mr. Dellone’s bank
8 account to the Coinbase Platform were then used by Doe Defendants to purchase more Bitcoin,
9 which, once again, Coinbase irrevocably transferred to Doe Defendants’ cryptocurrency Wallet.

10 9. Although Mr. Dellone was asleep when his Coinbase account was plundered, he noticed
11 the unauthorized account activity shortly after he woke up to get ready for work, mere hours
12 after the initial breach. He immediately reported the unauthorized activity to Coinbase.

13 10. In turn, Coinbase locked Mr. Dellone, but frustratingly not DOES 1-50, out of his
14 account.

15 11. Coinbase has informed Mr. Dellone that, in Coinbase’s view, Mr. Dellone is “100%
16 responsible” for the losses resulting from the fraud on his account—and not just the losses he
17 personally sustained, but for both his and Coinbase’s purported losses, alike.

18 12. Within days of squandering every cryptocurrency Mr. Dellone had patiently acquired
19 during his eight-year tenure as a loyal Coinbase customer, Coinbase (Coinbase’s “customer
20 support” agents) began emailing Mr. Dellone, demanding that he “reimburse” Coinbase for the
21 fraudulent bank transactions Coinbase itself negligently perpetuated on its own Platform.

22 13. Incredibly, even after acknowledging the fraud, Coinbase issued Mr. Dellone a truly
23 disgraceful and audacious ultimatum: either pay Coinbase the “reimbursement” money Coinbase
24 baselessly claims it is owed, or remain locked out of his Coinbase account indefinitely.

25 14. For years, Coinbase has exploited legal ambiguities and technological obscurities to
26 wield its far-superior bargaining power and resources as swords, to riposte Mr. Dellone and
27 innumerable other victimized Coinbase customers like him, by using deception and bully tactics,
28 duplicitous fool’s errands, wily one-sided contracts, and utter “customer support” quackery.

15. Coinbase’s flagrant disrespect for Mr. Dellone’s privacy and personal property rights, and for the plain and simple truth, have only benefitted Coinbase. Meanwhile, Mr. Dellone, and many other retail Coinbase customers, as well as the broader “crypto-economy,” Coinbase’s competitors in the emerging financial sector writ large, and overall consumer confidence in governmental regulatory bodies charged with protecting retail financial consumers like Mr. Dellone (e.g., the **Consumer Financial Protection** Bureau (“CFPB”)), all suffer from Coinbase’s brazenly unprincipled conduct.

16. Since December 14, 2021, Mr. Dellone has been deprived of the 0.5 bitcoins he acquired in or around 2013, which had personal and sentimental value to Mr. Dellone; more than 37.5 million virtual tokens and unique cryptocurrencies, comprising more than 20 distinct digital assets (worth in excess of \$70,000, collectively); his valuable online account information and data, which Coinbase leaked to unauthorized third-parties; and over \$2,000 worth of dollar-denominated transaction fees collected or retained by Coinbase, resulting directly from the fraud that occurred on his Coinbase account.

17. By this Complaint, Mr. Dellone intends to hold Coinbase accountable for its predatory, prejudicial, and senseless acts and business conduct, and for its breaches of its duties and reasonable care, which have resulted in Mr. Dellone’s losses of his personal property and privacy, excruciating financial and emotional harms, and increased risks and costs Mr. Dellone has and continues to endure and incur to this day.

18. Mr. Dellone intends to hold DOES 1-50 accountable as well, for the injuries and losses they jointly and severally caused him when they unlawfully accessed, interfered with, or received Mr. Dellone’s digital assets, and for their violations of federal and state privacy and computer laws, as further alleged below.

19. This Complaint also asserts Mr. Dellone’s rights to and against the Bitcoin Wallet and the 2.05698427 Bitcoins currently located in the Bitcoin Wallet with the public key address, *bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm*; the Tezos “staking rewards” earned by Mr. Dellone’s Coinbase account from December 14, 2021 to the present; the BSV tokens sent to the BSV Wallet with the public key address, *14goHFL8GGyuKCvbFtGW9PqQ5Urspwn9uuv*; and

the U.S. Dollar Coins (“USDC”), and all other digital assets traceable to any digital wallets associated with Mr. Dellone’s Coinbase account prior to the breach of his account.

THE PARTIES

20. Plaintiff Ryan Dellone is an individual citizen and a resident of Fresno, California.

21. Defendant Coinbase Global, Inc. (“Coinbase Global”) is a publicly-traded Delaware corporation involved in the business of cryptocurrency exchange, among other interrelated businesses. Coinbase Global has no formal physical headquarters, as it is a “decentralized” and “remote first” company.

22. Defendant Coinbase, Inc. (“CBI”), is a Delaware corporation, and a wholly-owned subsidiary of Coinbase Global.

23. CBI and Coinbase Global are operated as one corporation. Coinbase Global’s SEC filings refer to CBI and Coinbase Global, together with subsidiaries of Coinbase Global, as “Coinbase.” This Complaint does the same.

24. The true names of Doe Defendants (DOES) 1-50 are not currently known to Plaintiff. Plaintiff will amend this Complaint to allege the true names of each unnamed Defendant as soon as Plaintiff ascertains their true names.

25. Plaintiff claims exclusive right and legal title to, and ownership of those 2.05698427 bitcoins currently held in or associated with the Bitcoin Wallet address, *bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm* (the “*bc1 Wallet*”).

JURISDICTION AND VENUE

26. This Court has federal question subject matter jurisdiction over this case pursuant to 28 U.S.C. § 1331, as this action is brought pursuant to the Electronic Fund Transfer Act of 1978 (15 U.S.C. § 1693, et seq.), and the Computer Fraud and Abuse Act (18 U.S.C. § 1030, et seq.).

27. This Court has diversity jurisdiction over this matter under 28 U.S.C. § 1332(a)(2) because the amount in controversy exceeds \$75,000 (exclusive of costs and interest), and Plaintiff is completely diverse from Coinbase. Plaintiff is a resident of California. CBI is a Delaware corporation. Coinbase Global is a Delaware corporation, or is “decentralized.”

28. On information and belief, DOES 1-50 are completely diverse from Plaintiff.

29. This Court has jurisdiction pursuant to section 1331, because this Complaint presents fundamental questions pertaining to, or otherwise interpreting or applying the Bank Secrecy Act (31 U.S.C. § 5311), the Stamp Payments Act of 1862 (18 U.S.C. § 336), and the Securities Exchange Act (15 U.S.C. §§ 77-78c. et seq.).

30. This Court has supplemental jurisdiction over Plaintiff's state law claims, pursuant to 28 U.S.C. § 1367, because those claims are derived from a common nucleus of operative facts.

31. This Court has personal jurisdiction over Defendants because Defendants transacted business, maintained substantial contacts, or committed overt acts in furtherance of their illegal schemes throughout the United States, including in this District. Defendants' conduct has been directed at, and has had the intended effect of causing injury to persons residing in, located in, or doing business throughout the United States, including in this District.

32. This Court has territorial *quasi in rem* jurisdiction because Plaintiff's rights to the property (or "*res*"), and the *res* itself, at issue in this Complaint are, on information and belief, present in this jurisdiction. The *res* is: the ***bc1 Wallet*** and/or the 2.05698427 bitcoins located at the ***bc1 Wallet*** as of the date of filing this Complaint.

33. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and (c) because a substantial part of the events giving rise to the claims occurred in this District, and because Defendants transact business in, are found in, and/or have agents in this District, and have substantial and systematic contacts in this District.

FACTUAL ALLEGATIONS

I. Background

34. Plaintiff Ryan Dellone opened his Coinbase account in October 2013.

35. Mr. Dellone was a markedly conservative user of the Coinbase Platform. In all his years as a Coinbase customer, Mr. Dellone initiated fewer than 300 transactions, *total*, on the Coinbase Platform.

36. Mr. Dellone is a father, a husband, and a Registered Nurse. Mr. Dellone routinely sleeps during daytime hours because he works the nightshift in the Intensive Care Unit at one of California's largest hospitals.

37. Defendant Coinbase is a consumer retail financial institution that provides its customers products and services, including custodial and digital currency exchange services relating to cryptocurrencies and other emerging electronic financial assets.

38. Coinbase was founded in May 2012.

39. Coinbase became a publicly-traded company in April 2021.

40. Coinbase operates in over 100 countries and has over 1,000 employees. Coinbase claims to support over 50 million “verified” users on its Platform. In the fourth quarter of 2021, Coinbase claims it facilitated over \$330 billion in cryptocurrency transactions on its Platform.¹

41. Coinbase has dubbed the Coinbase Platform² (or itself) the “most trusted crypto exchange,” and has claimed to be “one of the longest running crypto platforms where customers have not lost funds due to a security breach of the platform.”^{3 4}

42. The cryptocurrencies and other digital financial assets currently under Coinbase’s “management” are, collectively, worth hundreds of billions of U.S. Dollars.

43. Coinbase has millions of units of Bitcoin (“bitcoins,” or “BTC”) under its management. Most of the assets under Coinbase’s “management” belong to Coinbase’s customers.

44. In December 2021, Coinbase “managed” or controlled more than 2.05 bitcoins belonging to Mr. Dellone.

45. Bitcoin is an electronic peer-to-peer (“P2P”) cryptocurrency that is digitally transferrable between two or more parties, without need for an intermediary. Bitcoin uses a decentralized, distributed public blockchain ledger to record the number of “unspent transaction outputs” associated with digital “Wallets” that transact using the “Bitcoin Blockchain” ledger. Bitcoins and certain crypto-assets similar to bitcoins, are comparable to physical cash currencies, like

¹ See Coinbase, Letter to SEC Re: Custody Rule and Digital Assets, dated May 25, 2021 (accessed April 17, 2023), <https://www.sec.gov/files/coinbase-052521.pdf> (“Coinbase was founded in 2012 as a consumer platform that makes it easy to purchase, sell, and transact in cryptocurrency. . . . We support over 56 million verified users across more than 100 countries who, in the last quarter, have traded over \$330 billion in cryptocurrency on our platform.”).

² Although technically Coinbase operates and has operated more than one cryptocurrency exchange website (e.g., “Coinbase Pro,” “Coinbase,” “GDAX”), this Complaint refers to every Coinbase website (or so-called “platform”) Mr. Dellone has used as, collectively, the “Coinbase Platform” (or the “Platform”).

³ Coinbase, Security, <https://www.coinbase.com/security> (accessed March 14, 2023).

⁴ See, Coinbase Global Inc., SEC General Form for Registration of Securities (Form S-1) <https://www.sec.gov/Archives/edgar/data/1679788/000162828021003168/coinbaseglobalincs-1.htm> (“SEC Form-I”) (Feb. 25, 2021).

1 U.S. Dollars (“USD”) or gold coins, because the assets are: **(i)** tangible (*i.e.*, they can be
2 transferred directly between parties, P2P); **(ii)** easily-movable (*i.e.*, they can be sent to and from
3 virtually anywhere in the world); and **(iii)** valuable (*e.g.*, bitcoins are valuable because there are
4 only 21 million units that will ever be placed into circulation; and only a handful of entities,
5 including Coinbase, each control thousands of the approximately 19,000,000 BTC currently in
6 circulation).

7 46. Bitcoin and similar crypto-assets are not comparable to credit, debit, or any other familiar
8 financial instruments based on underlying assets or obligations. Cryptocurrencies—specifically,
9 the “unspent transaction outputs” and the cryptocurrency “Wallets” recorded on public,
10 decentralized (or distributed) blockchains—are, themselves, the assets. They function much like
11 fiat currency coins and paper bills; not like redeemable shares, contracts, or stock certificates.

12 47. Unlike traditional physical cash fiat currencies, however, BTC can exist in multiple
13 places, simultaneously, all at once; and control of BTC is proved by “spending” the BTC (or
14 unspent transaction outputs) by initiating a valid transaction recorded on the Bitcoin Blockchain.
15 With Bitcoin, any number of random strangers anywhere on earth can, theoretically, each have
16 in their respective possessions, the exact same asset; because the asset is the exact same asset, if
17 one person “spends” the asset, no one else with possession of the asset can spend the asset in the
18 future (they are entirely dispossessed of the BTC as soon as it is spent). A person may “spend”
19 BTC by moving it from one Wallet to another, either in a self-transfer between Wallets the person
20 owns, or by transferring the BTC to another person’s Wallet.

21 48. The hundreds of billions of U.S. Dollars’ worth of tangible, valuable, and easily-movable
22 cryptocurrencies (essentially virtual “cash”) under Coinbase’s management is almost
23 unfathomable by comparison to any familiar physical financial asset. Conceptually, if the
24 cryptocurrencies under Coinbase’s management were in physical form, they would probably
25 look like mountains of cash-equivalent hard assets of the sort Scrooge McDuck might dive into,
26 or like stacks of paper currency piled so high Pablo Escobar could have blushed at the sight.

27 49. Using the digital assets and cryptocurrencies Coinbase has on-hand (under its control),
28 Coinbase facilitates millions of revenue-generating P2P transactions each month.

50. Coinbase’s primary source of revenue is “transaction revenue,” which Coinbase generates from the fees it collects for facilitating digital asset transactions on its Platform.

51. In the first quarter of 2023, Coinbase recorded \$352 million in “transaction revenue.” In Q4-2022, Coinbase recorded \$322 million of the same. However, between October and December 2021 (the quarter when the events giving rise to this suit began), Coinbase recorded an astonishing ***\$2.3 billion in transaction revenue***. For context, Coinbase’s total company revenue in Q4-2021 (\$2.49 billion) was nearly the amount of total state tax revenue collected by the entire State of Nevada during the exact same time period (\$2.53 billion).⁵

52. A portion of the “transaction revenue” Coinbase collected in Q4-2021 was unearned, or unethically earned, and has been unjustly retained by Coinbase.

53. On information and belief, a substantial portion of the transaction revenue Coinbase collected between 2017 and 2022 was the direct result of fraud and Coinbase’s unfair and unconscionable company policies, which, for instance, instructed Coinbase’s employees and agents to make concerted efforts to hold its retail customers “100%” liable for all transactions completed on their Coinbase accounts—including clearly fraudulent transactions Coinbase improperly facilitated without customer permission in the course of its ruthless campaign to inflate its bottom line.

A. Types of Digital Assets on the Coinbase Platform

54. The term “digital assets” refers to intangible, electronically-recorded items stored on a computer, digital device, or network (e.g., digital data; digital currencies; crypto-assets).

55. A “digital currency” is any currency available exclusively in electronic form, which is not based on fiat currency.

56. The term “crypto-asset” refers broadly to digital unspent transaction outputs recorded on a blockchain-based ledger. Crypto-assets fundamentally exist in cryptographically-secure “Wallets,” and are reflected on public, decentralized (or distributed) blockchain ledgers. A “cryptocurrency,” is a class of crypto-asset that is also a “digital currency” (like BTC).

⁵ Compare, Coinbase, *Quarterly Earnings* (available at <https://investor.coinbase.com/financials/quarterly-results/default.aspx>) with Census.gov, *2021 Quarterly Summary of State & Local Tax Revenue Tables* (available at <https://www.census.gov/data/tables/2021/econ/qtax/historical.Q4.html#list-tab-495435152>) (accessed June 2023).

1 57. A “stablecoin” is a digital currency or crypto-asset that derives its price from the price of
2 a specific reference asset to which the digital currency or crypto-asset is pegged.

3 58. A “Security Token” is a type of crypto-asset that is not a digital currency, and which
4 represents or constitutes an investment contract.

5 59. The term, “Wallet” (or “Crypto Wallet”) refers to a blockchain-based “key pair”
6 consisting of a digital public key and a digital private key. A “public key” is a Wallet’s public-
7 facing digital address; it is used to receive inbound crypto-assets and encrypt outbound
8 transaction data. A “private key” is used to facilitate the transfer of crypto-assets out of a Wallet,
9 and to prove ownership over crypto-assets held in a Wallet. A private key is also a blockchain-
10 based asset, as it allows anyone to control the “unspent transaction outputs” associated with its
11 corresponding public key address.

12 60. Any person or entity with access to a Wallet’s private key can control the assets (or
13 unspent transaction outputs) in the corresponding Wallet, and can thus transfer those assets to
14 another Wallet.

15 61. In this Complaint, the term “digital wallet” or “wallet” (lower-case) denotes that a
16 “wallet” is not a “Wallet” (or Crypto Wallet).

17 62. Coinbase provided Mr. Dellone with at least one financial account, or digital “wallet,”
18 which Coinbase has referred to as a “USD Wallet”; Coinbase also provided Mr. Dellone with
19 various other digital wallets that Coinbase has referred to, generally, as “Digital Currency
20 Wallets.” In this Complaint, the “USD Wallet” and other so-called “Digital Currency Wallets”
21 (*i.e.*, the digital wallets issued by Coinbase), are distinguished from Crypto Wallets, as
22 “Coinbase-issued wallets.”

23 63. Though some of the financial accounts Coinbase calls “Digital Currency Wallets” may
24 reflect real, underlying Crypto Wallets owned by Coinbase’s customers, Coinbase-issued wallets
25 are notably distinguishable from Wallets because Coinbase-issued wallets are made accessible
26 to consumers exclusively through Coinbase’s centralized Platform. Conversely, crypto-assets
27 stored in “Wallets” controlled (or hosted) by Coinbase can be transferred without logging into a
28 Coinbase account, using only the Wallet’s private key.

64. Unlike transactions between Wallets, only Coinbase account credentials—and not (or at least not exclusively) a blockchain-based private key—are required to initiate electronic fund transfers from Coinbase-issued wallets.

65. Electronic fund transfers between Wallets, which are recorded on blockchains, do *not* inherently require Coinbase’s express approval and facilitation, unlike transactions between Coinbase-issued wallets.

66. Transactions between Wallets are almost always irreversible, unlike transactions between Coinbase-issued wallets, which can be reversed by Coinbase.

67. Electronic financial transactions between Coinbase-issued wallets require Coinbase’s express authorization and facilitation to effectuate the transfers, and are reversible exclusively by Coinbase.

68. Unlike transfers between Wallets, transfers between Coinbase-issued wallets afford Coinbase the ability to rapidly facilitate exchanges and transfers of crypto-assets on its Platform. Coinbase has publicly promoted its facilitation of asset and currency exchanges and transfers on its Platform as “the easiest solution” for retail consumers of crypto financial products who are looking to “buy, sell, send, and receive crypto.”⁶

1. USDC Stablecoins are Not Legal Tender

69. Coinbase circulates, pays out, and is one of the companies responsible for issuing a stablecoin called “USD Coin” (or “USDC”).⁷

70. In the United States, it is a crime “to issue, circulate, or pay out any note . . . token or other obligation, for a sum less than \$1, intended to circulate as money or to be received or used in lieu of lawful money of the United States.” STAMP PAYMENTS ACT OF 1862, 18 U.S.C. § 336.

71. Coinbase has advertised that, “[u]nlike regular US dollars, USD Coin doesn’t require a bank account. It doesn’t require that [users] live in a particular geography.”

72. USDC is purportedly reserve-backed by legal tender fiat currency. Coinbase claims its

⁶ Coinbase, *How to set up a crypto wallet*, <https://www.coinbase.com/learn/tips-and-tutorials/how-to-set-up-a-crypto-wallet> (accessed Mar. 2023).

⁷ See Circle, *USD Coin – Ecosystem*, <https://www.circle.com/en/usdc/ecosystem> (accessed April 24, 2023) (“USDC is accessible via dozens of digital asset exchanges”).

customers “can always redeem 1 USD Coin for US\$1.00.” Coinbase advertises that “[e]ach USDC is backed by one dollar or asset with equivalent fair value, which is held in accounts with US regulated financial institutions.”⁸

73. In addition to providing its customers with Coinbase-issued USDC wallets, Coinbase encourages its customers to connect their traditional online bank accounts to the Coinbase Platform.

74. Mr. Dellone connected his online bank account to the Coinbase Platform.

75. Coinbase customers can transfer obligations to pay US Dollars directly between the Coinbase Platform (*i.e.*, Coinbase) and the customer’s bank.

76. Coinbase customers, including Mr. Dellone, have used their Coinbase accounts to store USD-denominated “digital dollar” obligations in their respective Coinbase-issued USD wallets, which are made available to customers on the Coinbase Platform.

77. Mr. Dellone, and other Coinbase customers with bank accounts linked to the Coinbase Platform, have used their bank accounts to purchase and “cash out” digital assets they custody with Coinbase, both into fiat currency and into USDC.

78. Coinbase invites its customers to use USD and USDC interchangeably.

79. Since at least 2020, Coinbase has shown preference toward its customers’ use of USDC, over USD. For example, Coinbase has advertised that, unlike U.S. Dollars, which have limited denominations, Coinbase customers can “hold as little as 0.000001 worth of USD Coin.”

80. Coinbase has issued, circulated, and paid out “USD Coins” for sums less than \$1.

81. Plaintiff is informed and believes, and on that basis alleges, Coinbase has deliberately misrepresented USD Coin to Mr. Dellone and to all Coinbase’s customers, intentionally conflating “USD” and “USDC,” intending to confuse and, in fact confusing, many Coinbase customers, including and especially average retail investors and consumers like Mr. Dellone.

82. Mr. Dellone was confused by the distinction between USD and USDC, and through no fault of his own, Mr. Dellone was almost completely unaware of the profound risks with respect to USDC transactions and online USDC “accounts” managed by Coinbase. Among these risks,

⁸ Coinbase, *USD Coin*, <https://www.coinbase.com/usdc> (accessed Mar. 2023).

the risk that Coinbase can, at any time, at its sole discretion, refuse to exchange USDC for USD, by, for instance, locking a customer who owns USDC out of his Coinbase accounts for virtually any reason Coinbase decides.

83. USDC is not legal tender.

84. Coinbase has intended to circulate “USDC” as money, or else has intended that USDC be received or used in lieu of lawful money of the United States, in violation of federal law.

2. Tezos Security Tokens are Investment Contracts

85. Mr. Dellone used the Coinbase Platform to invest in a Security Token called “Tezos” (“XTZ”).

86. Coinbase has not recognized XTZ tokens as investment contracts regulated by U.S. securities laws. Therefore, Coinbase does not consider itself required to abide by the consumer-protection provisions of the Securities Exchange Act (15 U.S.C. §§ 77-78c. et seq.) with respect to Coinbase’s activities involving the XTZ Security Tokens.

87. In early 2021, Mr. Dellone purchased 92.336053 XTZ for \$350. In so doing, Mr. Dellone exchanged money or digital assets for XTZ tokens, and he paid Coinbase fees for executing those transactions. Mr. Dellone then “staked” (or “baked”) his XTZs by leaving his XTZs in his Coinbase account. As opposed to selling or exchanging his XTZs for profit, Mr. Dellone earned XTZ “reward payments” for staking his XTZs with Coinbase.

88. Mr. Dellone’s “reward payments” began accruing in May 2021, and those rewards accrued, and would have continued accruing to date, absent Coinbase’s wrongful acts as further described herein.

89. By purchasing XTZs, Mr. Dellone invested his money in the Coinbase Platform and in the Tezos blockchain, expecting that he would passively earn profit from staking (or baking) his XTZs to earn “rewards,” without any work on his part, resulting solely from the increase in the value of his XTZs, and from the accrual of his staking rewards over time.

90. Mr. Dellone has been deprived of his XTZ tokens and rewards because, in or around December 2021, Defendants exchanged most if not all his XTZs, for bitcoins; and because Coinbase has interfered with his right to receive his XTZ staking rewards.

91. When Mr. Dellone invested in XTZ tokens—which were made available to him by Coinbase—Mr. Dellone helped fund both Coinbase, and the Tezos blockchain.

92. Mr. Dellone earned measurable profits, which were reflected in his Coinbase-issued XTZ wallet, and which resulted solely from the efforts of Coinbase.

93. The XTZs formerly held in Mr. Dellone’s Coinbase-issued Tezos (XTZ) wallet, including the XTZ rewards he earned through the Coinbase Platform, are investment contracts and securities under the Securities Exchange Act.

94. Coinbase caused Mr. Dellone to lose his XTZs when Coinbase converted all or substantially all his XTZs to BTC on December 14, 2021.

95. Since December 14, 2021, Coinbase has intentionally and unreasonably deprived Mr. Dellone of the XTZ tokens that accrued in, and were stored in his Coinbase account prior to the fraudulent transactions that occurred on his Coinbase account.

96. Coinbase has inequitably retained the Tezos-specific benefits it received from Mr. Dellone’s investment in XTZs, and Mr. Dellone has been harmed by Coinbase’s conscious business decision to impose substantial risks on Mr. Dellone, by proceeding to carelessly offer, broker, and facilitate his Security Token transactions on its Platform while ignoring applicable securities laws aimed at protecting Mr. Dellone as an average retail investor.

B. Coinbase is a “Custodial Wallet Service Provider”

97. The permanent loss of a Wallet’s private key can, and almost always does result in the irrevocable loss of all crypto-assets in or associated with that Wallet.

98. Coinbase has advertised the “custodial” (or “hosted”) Wallet services it purportedly provides, as a solution to consumers’ worries regarding inadvertent, irreversible losses of crypto-assets. See Coinbase, *How to set up a crypto wallet*, <https://www.coinbase.com/learn/tips-and-tutorials/how-to-set-up-a-crypto-wallet> (accessed June 12, 2023) (“It’s called hosted because a third party keeps your crypto for you, similar to how a bank keeps your money in a checking or savings account. You may have heard of people ‘losing their keys’ or ‘losing their USB wallet’ but with a hosted wallet you don’t have to worry about any of that.”).

99. The type of custodial Wallet services Coinbase has advertised are typically offered by

centralized, sufficiently-capitalized⁹, and insurable for-profit corporations, because hosted Wallet providers, including Coinbase, assume custody, and therefore possession and a significant degree of control of their customers’ valuable digital assets.

100. By contrast, “non-custodial” Wallet service providers are commonly decentralized, distributed, and sometimes not-for-profit organizations, as non-custodial Wallet providers merely present customers with easier ways to create, hold, and directly transact with Wallets in the customer’s—not the service provider’s—custody. Non-custodial Wallet providers, by definition, cannot assert or take custody of their customers’ crypto-assets. Accordingly, customers of non-custodial Wallet service providers take full responsibility for maintaining and securing their own private keys and crypto-assets.

101. Coinbase is a “custodial Wallet service provider” because Coinbase: **(a)** requires that its customers maintain and use electronic financial accounts hosted by Coinbase, in order to access their crypto and other digital assets they own; **(b)** assumes custody of its customers’ private keys and the crypto-assets owned by its customers; and **(c)** can unilaterally permit access to and prevent transfers of customer-owned crypto-assets in its custody.

102. Coinbase has promoted and advertised its unilateral ability to authorize changes to Coinbase account credentials as a security, or account protection, feature that most if not all custodial Wallet service providers in the crypto-economy offer. See, e.g., (“The main benefit of keeping your crypto in a hosted wallet is if you forget your password, you won’t lose your crypto [because a custodial Wallet service provider can reset its customers’ passwords].”)¹⁰

103. Coinbase has advertised the services it provided Mr. Dellone as including benefits and protections that “non-custodial” Wallet providers do not, and by definition, cannot provide. See Coindesk.com, *Custodial wallets vs. non-custodial wallets* (with custodial Wallet service providers, “[t]he individual user is not responsible for protecting the private key to the wallet and therefore places trust in the business [*i.e.*, Coinbase] keeping the private key safe. When a

⁹ But see, e.g., Commodity Futures Trading Commission, *CFTC Charges Sam Bankman-Fried, FTX Trading and Alameda with Fraud and Material Misrepresentations – Release Number 8638-22*, published December 13, 2022, <https://www.cftc.gov/PressRoom/PressReleases/8638-22> (accessed April 24, 2023).

¹⁰ Coinbase, *How to set up a crypto wallet*, <https://www.coinbase.com/learn/tips-and-tutorials/how-to-set-up-a-crypto-wallet> (accessed June 12, 2023).

1 user wishes to send coins out of a custodial wallet, they simply log in to the platform with a
2 username and password, input the public key of the location to where they wish to send coins,
3 and the business is responsible for inputting the private key to complete the transaction.”).¹¹

4 104. As a custodial Wallet service provider, Coinbase intentionally bargained for, and has
5 received benefits from misrepresenting the quality and features of the custodial services it
6 purports to provide. Coinbase has unjustly received and retained these benefits as a result of
7 misrepresenting its willingness and ability to comply with the higher standards of care applicable
8 to all regulated custodial Wallet service providers serving the crypto-economy and California
9 retail financial consumer customers, like Mr. Dellone.

10 **C. Coinbase’s Claims It Uses Its Customers’ Data for “Security” Purposes**

11 105. Coinbase collected and maintains various categories of data from and about its
12 customers, and Coinbase intended to, and did, convince Mr. Dellone that his money and
13 property, which he had entrusted to Coinbase’s custody, were reasonably secured by Coinbase’s
14 use of the data he (and other Coinbase customers) shared with Coinbase and consistently
15 permitted Coinbase to collect from and about him, by nature of his relationship with Coinbase.

16 106. Coinbase assured Mr. Dellone that Coinbase and its Affiliates were prepared to (and at
17 times, did) take appropriate actions based on the data Coinbase collected from and about Mr.
18 Dellone. In October 2021, for example, and on numerous other occasions prior, Coinbase
19 represented to Mr. Dellone that Coinbase uses the data it collects from and about him, and other
20 Coinbase customers, to prevent and respond to unauthorized and fraudulent activity on the
21 Coinbase Platform, and to identify Mr. Dellone as a Coinbase customer.¹² These representations
22 were false, and Coinbase knew that when it made the representations.

23 **1. Coinbase Collected Troves of Identification Data from Mr. Dellone**

24 107. Along with other cyber-identification data, Coinbase collected the following information
25 from and about Mr. Dellone, and to some extent, from and about the Doe Defendants who
26 wrongfully accessed Mr. Dellone’s Coinbase account: (i) Device IDs; (ii) IP Addresses; (iii) data
27

28 ¹¹ <https://www.coindesk.com/learn/custodial-wallets-vs-non-custodial-crypto-wallets/> (accessed Nov. 14, 2022).

¹² See User Agreement, Privacy Policy, Exhibit A (Privacy Policy begins at p. 19).

from Cookies; (iv) Behavioral Analytics; and (v) Personally Identifiable Information (“PII”).

108. Device IDs are hardware-specific identification numbers, like IMEI numbers and MAC addresses. An “IMEI” number (or International Mobile Equipment Identity number) is a wireless device’s (e.g., a cellular mobile phone’s) unique 15-digit serial number. A “MAC Address” (or Media Access Control address; sometimes called a “hardware address”) is a unique, 12-character alphanumeric attribute used to identify individual electronic devices on a digital network.

109. An IP address, or an Internet Protocol address, is a unique address, for example “107.77.213.27,” that identifies a device on the internet or on a local network. An IP address serves two main functions: it identifies the host (the digital representation of a device) on a network; and it provides the geographic location of the computer or other device connected to a network.

110. IP addresses can be disguised by using proxy networks, like a Virtual Private Network (or “VPN”). A VPN conceals the true IP address used by a device by redirecting the device’s network connection through a proxy server run by a VPN host, which essentially assigns the device a new IP address.¹³

111. Cookies are information saved by a web browser when a person uses the web browser to visit a website. Cookies are used to recognize a person, or a person’s device, in future online interactions. Flash Cookies, also known as “Local Shared Objects” (or “super-cookies”)¹⁴, are a Cookie-variant that collects and stores information about *how* a person uses a website’s services.

112. Coinbase has explicitly represented that it uses Flash Cookies for fraud prevention.¹⁵

113. Behavioral Analytics is the process of collecting and analyzing data from actions performed by users of a digital product. In general, companies that use Behavioral Analytics (including Coinbase), analyze various forms of digital user data to assess exactly how users

¹³ See Kaspersky, *What is VPN? How It Works, Types of VPN*, <https://www.kaspersky.com/resource-center/definitions/what-is-a-vpn> (accessed March 14, 2023) (“A VPN hides your IP address by letting the network redirect it through a specially configured remote server run by a VPN host.”).

¹⁴ The Electronic Frontier Foundation has described Flash Cookies as a “threat.” Electronic Frontier Foundation, *Online Behavioral Tracking*, <https://www EFF.org/issues/online-behavioral-tracking> (accessed Apr. 17, 2023) (“**New threats include ‘super-cookies’ like Adobe’s ‘Local Shared Objects’** . . . [and] semi-legal data-sharing agreements between Internet service providers and data warehouses . . . [which] include social networking websites that allow advertisers too much access to their users’ behavior and data.”) (emphasis added).

¹⁵ See User Agreement, Cookie Policy, Exhibit A (Cookie Policy, begins at p. 29).

1 interact with digital products (e.g., the Coinbase Platform), and in order to make decisions about
2 how to improve their products in the future.

3 114. Personally Identifiable Information (“PII”) includes a person’s name and contact details
4 (e.g., phone number; email address), usernames, gender, locale/language, location, birthdate,
5 user-authenticated virtual documents, and may include device types and other cyber-
6 identification data used by a company to control access to the company’s services.

7 115. Personally Identifiable Information has significant value to criminals, researchers,
8 advertisers, Coinbase’s Affiliates, internet and cellular service providers, political campaigns,
9 and consumers.

10 116. To many consumers, PII can be just as important as financial data. To some consumers,
11 and to some criminals, PII can be even more valuable than a Social Security Number or bank
12 account information.

13 117. Personally Identifiable Information, including the PII Mr. Dellone shared with Coinbase,
14 which Coinbase has collected and retained for nearly a decade, has significant value to Coinbase.

15 118. Coinbase had sufficient information about Mr. Dellone, his access devices, his locations,
16 and his online behaviors, which Coinbase’s employees, representatives, and agents could have,
17 but did not use to prevent unauthorized access to, and fraudulent transactions on Mr. Dellone’s
18 Coinbase account.

19 119. Based on the information Coinbase had in its possession in December 2021, no person
20 or custodial Wallet service provider in Coinbase’s position could have reasonably concluded that
21 Mr. Dellone initiated the unlawful transactions that ultimately decimated his Coinbase account.

22 **2. Coinbase Misrepresents the Reasons It Collects and Stores Consumer Data**

23 120. On numerous occasions prior to December 2021, Coinbase specifically represented to all
24 Coinbase customers that Coinbase engages in the routine monitoring of IP addresses, as part of
25 Coinbase’s “reasonable risk-based program” aimed at complying with Anti-Money Laundering
26 and Know Your Customer (AML/KYC) regulations.¹⁶

27 ¹⁶ See, e.g., *Coinbase SEC Form S-1*, *supra*, n. 1. See also, Coinbase, *FAQ – Password Resets*,
28 <https://help.coinbase.com/en/coinbase/privacy-and-security/other/why-will-my-password-reset-require-24-hours-to-process> (accessed October 2022).

121. Additionally, Coinbase has advertised that it only allows customers to “reset their passwords from devices they have previously verified, or from locations they have previously logged in from.”¹⁷

122. Mr. Dellone reasonably believed that Coinbase was, for security purposes, persistently collecting the geolocations and other device and network data associated with every person and/or device that requested access to his Coinbase account.

123. Mr. Dellone saw and reasonably believed the following statement, or a substantively similar statement, posted on Coinbase’s website: “if you [a customer] reset your password from a new device, you won’t be able to send crypto from your account for up to 48 hours.” Coinbase promoted this feature as one that would help protect its customers from fraud and theft affecting their Coinbase accounts, by helping “safeguard against attempts to illegitimately reset [the Coinbase customer’s] password.”¹⁸ For over eight years, Mr. Dellone believed that Coinbase provided this feature consistently with respect to critical actions (*e.g.*, password resets; credential changes; irreversible transfers of cryptocurrency) taken on Mr. Dellone’s Coinbase account.

124. Mr. Dellone allowed Coinbase to retain custody of his digital assets, including his valuable private and sensitive data, because he believed that when he, or when anyone, attempted to engage in activity involving his Coinbase account, Coinbase would take reasonably appropriate precautions to ensure that every action—or, at the very least, every critical account change request and irreversible P2P transaction—has been legitimately requested by him, *before* approving or effectuating those actions.¹⁹

125. Coinbase’s statements regarding its use of customer data convinced Mr. Dellone that Coinbase’s services were of a particular quality that would have mitigated or prevented the losses and harms Mr. Dellone sustained as a result of Coinbase’s repeated failures to provide Mr. Dellone the services and products Coinbase had advertised.

¹⁷ Coinbase, *Password requirements and troubleshooting*, <https://help.coinbase.com/en/coinbase/privacy-and-security/avoiding-phishing-and-scams/password-requirements> (accessed October 2022).

¹⁸ Coinbase, *Reset my password*, <https://help.coinbase.com/en/coinbase/managing-my-account/get-back-into-my-account/reset-my-password> (accessed October 2022).

¹⁹ See, *e.g.*, Coinbase, *Scaled compliance solutions from Coinbase*, <https://www.coinbase.com/compliance> (accessed April 17, 2023) (showing Coinbase offers various crypto “compliance” services for governments, financial institutions, and crypto businesses).

1 **II. Coinbase Facilitates Dozens Of Unauthorized Transfers And Critical Account**
 2 **Changes—Then Demands Mr. Dellone Reimburse Coinbase For Fraudulent**
 3 **Transactions Coinbase Perpetrated Using Mr. Dellone’s Account**

4 126. On December 14, 2021, Coinbase facilitated numerous unauthorized and exceptionally
 5 uncharacteristic transactions, and approved multiple critical account changes on Mr. Dellone’s
 6 Coinbase account, despite Coinbase collecting real-time data, which clearly showed that: **(a)** the
 7 devices used to access Mr. Dellone’s account (and initiate an unprecedented flurry of
 8 transactions) had Device IDs that had never previously accessed Mr. Dellone’s account; **(b)** the
 9 access devices were connected to VPNs, which were provided by a European-based company,
 10 called “M247”; and **(c)** the geolocations of the VPN-masked IP addresses were connected to
 11 servers in Florida and New York.

12 127. Since he opened his Coinbase account in October 2013, Mr. Dellone has consistently
 13 accessed his Coinbase account from California, always using the same network and Internet
 14 Service Providers to access his account.

15 128. Over an eight-year-period Mr. Dellone consistently used familiar, pre-authorized access
 16 devices (*e.g.*, computers, mobile phones) to access the Coinbase Platform.

17 129. In all his time as a Coinbase customer, Mr. Dellone never once used a VPN to disguise
 18 his IP address when logging into his Coinbase account.

19 130. Despite the years of PII, behavioral analytics, and other cyber-identification information
 20 Coinbase had collected from Mr. Dellone, supposedly for security purposes, Coinbase did not
 21 merely grant DOES 1-50 unfettered access to Mr. Dellone’s Coinbase account—Coinbase
 22 allowed DOES 1-50 to retain, and later renew, and then regain access to his account, even,
 23 shockingly, to Mr. Dellone’s express exclusion.

24 131. The actions and omissions of CBI, its agents, executives, employees, and/or its
 25 “Affiliates,” and the conscious and unethical business decisions made by Coinbase Global, have
 26 caused Mr. Dellone significant harms, for which Mr. Dellone is now entitled to recover.

27 **A. Defendants Plunder Mr. Dellone’s Coinbase Account, Robbing Him of \$100,000**
 28 **in Cryptocurrencies and Exposing His Valuable, Private Data**

132. Around 3:30 p.m. PST on December 14, 2021, Mr. Dellone’s Coinbase account was breached by DOES 1-50 while Mr. Dellone was asleep.

133. Immediately upon gaining access to Mr. Dellone’s account, DOES 1-50 initiated twenty-five (25) consecutive transactions, twenty-three (23) of which were initiated in the span of less than ten minutes. Coinbase approved and promptly facilitated each of these transactions. In the first set of rapid-fire transactions, Defendants converted twenty-two (22) unique crypto-assets belonging to Mr. Dellone, into U.S. dollar-denominated financial assets (USD and/or USDC); then, along with approximately \$17,000 that was already in Mr. Dellone’s Coinbase-issued “U.S. Dollar Wallet” (and/or his “USDC Wallet”) prior to the breach, Defendants purchased over \$70,000 worth of Bitcoin on the Coinbase Platform.

134. Coinbase credited the newly-purchased BTC to Mr. Dellone’s Bitcoin Wallet, which, prior to the breach of his account, already contained approximately 0.5 bitcoins.

135. Coinbase also permitted, and inherently assisted DOES 1-50 in purchasing about \$1,000 worth of Bitcoin using Mr. Dellone’s bank account, which was connected to, and accessible via the Coinbase Platform. Coinbase credited these bitcoins to Mr. Dellone’s Bitcoin Wallet as well.

136. Then, at the behest of Doe Defendants, Coinbase transferred the entire balance of Mr. Dellone’s BTC Wallet (more than 2.0569 bitcoins) to an “off-Platform” Bitcoin Wallet (a Wallet not hosted by Coinbase on the Coinbase Platform) that had never been associated with Mr. Dellone or his Coinbase account in any way whatsoever—all in a single, irreversible electronic fund transfer.

137. In other words, after Coinbase swiftly facilitated dozens of unprecedented and clearly fraudulent transactions on Mr. Dellone’s Coinbase account, Coinbase sent nearly the entire consolidated balance of Mr. Dellone’s account (which, at the time, was worth around \$100,000) off the Coinbase Platform, to a completely pseudonymous Bitcoin Wallet, all in one, irrevocable financial transaction, without even so much as sending a confirmatory “test” transaction to the off-Platform Wallet prior to transferring the six-figure lump sum.

138. Unlike reversible “on-Platform” transactions, which can only be effectuated using Coinbase-issued credentials associated with Coinbase-issued digital wallets, “off-Platform”

1 transactions are generally irreversible and require the use of the private key associated with the
2 “spending” Wallet.

3 139. The transfer of Mr. Dellone’s 2.0569 bitcoins from his BTC Wallet required Coinbase to
4 use the private key associated with Mr. Dellone’s Bitcoin Wallet.

5 140. Coinbase’s transfer of Mr. Dellone’s Bitcoin to the off-Platform Wallet is the digital
6 equivalent of a bank teller dropping a \$100,000 bag of cash, representing a bank customer’s
7 entire bank account balance, behind a random dumpster located nowhere near the bank, purely
8 at the behest of someone who called the bank ten minutes prior, claiming to be the account
9 holder.

10 141. By 3:50 p.m. PST on December 14, 2021, about twenty minutes after Coinbase first
11 approved the initial unauthorized log-in request on Mr. Dellone’s Coinbase account, Mr.
12 Dellone’s account was virtually empty.

13 **1. Coinbase Facilitates Even More Fraud on Mr. Dellone’s Account**

14 142. Somehow, despite all odds Coinbase ever intended to prevent, mitigate, or rectify the
15 financial devastation Coinbase and Doe Defendants caused Mr. Dellone, the pillaging of Mr.
16 Dellone’s Coinbase account continued.

17 143. Apparently blind to the copious and unmistakable tell-tale hallmarks of fraud on its
18 Platform, Coinbase approved the following actions, initiated by one or more Doe Defendants,
19 seeking to: **(a)** change the email address associated with Mr. Dellone’s Coinbase account; **(b)**
20 change the 2FA settings for Mr. Dellone’s account; **(c)** add a new phone number—a Voice-Over-
21 Internet-Protocol (or “VOIP”)²⁰ phone number, with a Montana area code—to Mr. Dellone’s
22 account; **(d)** verify the VOIP number as the primary mobile phone number for Mr. Dellone’s
23 account; **(e)** link a new 2FA authentication mechanism to Mr. Dellone’s account; and **(f)**
24 disassociate Mr. Dellone’s email address and phone number from his account.

25 144. Any reasonable person in Coinbase’s position would have recognized that Mr. Dellone

26 _____
27 ²⁰ See, e.g., Federal Communications Commission, *Voice Over Internet Protocol (VOIP)*,
28 <https://www.fcc.gov/general/voice-over-internet-protocol-voip> (accessed April 17, 2023) (“Voice over Internet Protocol (VoIP), is a technology that allows you to make voice calls using a broadband Internet connection instead of a regular (or analog) phone line. . . . VoIP can allow you to make a call directly from a computer, a special VoIP phone, or a traditional phone connected to a special adapter.”)

was not attempting to hastily change his phone number, his email address, and his 2FA settings, all at once, for the first and only time in eight years, using previously-unauthorized access devices (including an iPhone multiple generations older than his previously-authorized mobile access device, which was also an iPhone) by connecting to a foreign-hosted VPN, using IP addresses connected to servers in states across the country from where Mr. Dellone has consistently accessed the Coinbase Platform.

145. Considering the grave and foreseeable harms to Mr. Dellone, including the irrevocable loss of his PII and other valuable data, no reasonable person in Coinbase’s position would have approved the changes Doe Defendants requested. Coinbase, on the other hand, promptly approved the changes, defying its own unambiguous promises and legal obligations to Mr. Dellone.

146. Coinbase then proceeded to facilitate additional financial transactions. In one transaction, Coinbase sent a cryptocurrency called “BSV”—for which Coinbase only facilitates “off-Platform” exchanges—from Mr. Dellone’s BSV Wallet (hosted by Coinbase), to an off-Platform BSV Wallet that (like the off-Platform BTC Wallet) had never been associated with Mr. Dellone.

147. Coinbase then facilitated another transaction, which was initiated by a device using a New York IP address issued by the same VPN provider (M247) that had issued the Florida IP address responsible for the previous instances of fraud detailed above. In this transaction, Coinbase allowed DOES 1-50 to, once again, use Mr. Dellone’s bank account to purchase approximately \$200 more in Bitcoin. Coinbase again deposited the BTC to Mr. Dellone’s Bitcoin Wallet before transferring the BTC from his Wallet to the Doe Defendants’ off-Platform Wallet.

148. When Mr. Dellone later informed his bank that the Bitcoin purchases executed on the Coinbase Platform were fraud, Mr. Dellone’s bank reversed the charges.

2. Summary of Mr. Dellone’s Cryptocurrency Losses

149. “*Table A*” (*Summary of Converted Assets*), set forth below, lists the crypto-assets converted and/or stolen from Mr. Dellone by Defendants on December 14, 2021:

	<i>Table A</i> <i>(Summary of Converted Assets)</i>	
	Token	Number of Tokens
1	ETH	6.60611257
2	LTC	88.59916563
3	ETC	170.5156815
4	CTSI	1,931.78
5	ADA	637.4547
6	ZRX	804.0188919
7	LINK	122.1935986
8	ANKR	6,215.40
9	LCX	3,254.52
10	SUKU	4,161.78
11	XTZ	93.53412
12	SHIB	37,479,605.75
13	EOS	102.3689
14	XLM	1,021.82
15	DNT	1,955.06
16	ASM	2,750.43
17	MATIC	199.0150769
18	BAT	143.7168994
19	OMG	1.17787025
20	TRAC	204.2707539
21	CVC	346.1700191
22	USD-BTC	1.50871977
23	BTC Buy	0.02081577
24	USD-BTC	0.00405624
25	BTC Transfer Off-Platform	2.05698427
26	BSV Transfer Off-Platform	1.72706484

B. Mr. Dellone Immediately Reports Fraud to Coinbase

150. When Mr. Dellone woke up to get ready for work, around 5:30 p.m. PST on December 14, 2021, he opened the Coinbase mobile application (which he had installed on his iPhone). To his dismay, he saw his account had a \$241 balance. Mr. Dellone immediately called Coinbase and reported the fraud.

151. Although Coinbase had apparently sent automated notices regarding the unauthorized account activities to Mr. Dellone’s listed points of contact, these notices arrived either while Mr. Dellone was unable access his mobile device and/or his email account, or after Coinbase had already approved or effectuated the actions and transfers DOES 1-50 had initiated.

152. In response to Mr. Dellone’s call reporting the unauthorized activity, Coinbase opened a “support ticket.” Coinbase also automatically sent Mr. Dellone an email (the “Recovery Email”)²¹ explaining how to disable authenticator apps and restore SMS 2FA on his account. The Recovery Email advised that Mr. Dellone must observe a 24-hour waiting period before his access to his Coinbase account would be restored.

153. Coinbase then locked Mr. Dellone out of his Coinbase account.

154. On information and belief, Coinbase sent a copy of the Recovery Email to one or more of DOES 1-50, and Coinbase directly and exclusively communicated with devices controlled by DOES 1-50, or with DOES 1-50, about Mr. Dellone’s Coinbase account, for several hours, unbeknownst to Mr. Dellone.

155. Notwithstanding Mr. Dellone’s timely and good faith efforts to have Coinbase halt and reverse the blatantly unauthorized transactions and account changes on his Coinbase account—which only Coinbase can do—Coinbase provided DOES 1-50 with exclusive access to Mr. Dellone’s assets during crucial periods of time: while Mr. Dellone was commuting to work, while he was at work, and while Mr. Dellone was sleeping.

156. Mr. Dellone, like every human being, requires sleep. The notion that Mr. Dellone ought to have been monitoring his electronic devices 24 hours-a-day, 7 days-a-week, 365 days-a-year, and never miss a single text message or email from Coinbase is preposterous.

²¹ See, Exhibit B – “Coinbase Email Correspondence with Plaintiff,” at p. 13.

1 157. In December 2021, Mr. Dellone was working the nightshift in the ICU at a hospital, and
2 during that time, COVID-19 cases were surging in California.

3 158. Coinbase has advised Mr. Dellone that Coinbase accepts zero responsibility for the
4 fraudulent transactions it facilitated on his Coinbase account; accordingly, Coinbase implies that
5 Mr. Dellone should have been awake during the breach of his account and/or during the theft of
6 his assets, or that he should have otherwise responded to the unauthorized activity quicker than
7 he did.

8 159. Within just the first twenty minutes of his account being breached, Coinbase had
9 facilitated more fraudulent transactions for DOES 1-50 than Coinbase had facilitated for Mr.
10 Dellone himself in the preceding several *months, combined*.

11 160. And Coinbase profited handsomely from the unauthorized, notably fervent transactional
12 activity, which, compared to Mr. Dellone's exceptionally conservative account transaction
13 history, was entirely unprecedented.

14 161. As a direct result of the unauthorized transactions on Mr. Dellone's account, Coinbase
15 collected thousands of dollars' worth of fee-based transaction revenue, at a rate in excess of \$300
16 *per minute*. Those fees were taken directly from Mr. Dellone, while he was asleep, without his
17 knowledge, consent, or permission, and through no fault of his own.

18 162. Coinbase's misconduct, negligence, incredible ignorance, and sickening greed—and not
19 the fact that Mr. Dellone sleeps, or is gainfully employed—caused Mr. Dellone to lose his
20 valuable personal property, and his valuable, and in some instances invaluable, irrecoverable, or
21 irreplaceable data, including his PII.

22 163. In light of the incredibly suspicious cyber-identification data associated with the
23 transactions initiated or requested by Doe Defendants, any reasonable person in Coinbase's
24 position would have pegged the belligerent, uncharacteristic activity on Mr. Dellone's account
25 as fraud, either as or before approving those transactions, and certainly before facilitating the
26 single transaction that, in one fell swoop, obliterated Mr. Dellone's eight-year-old financial
27 account and all the valuable property he had acquired over the course of nearly a decade.

28 164. Mr. Dellone had never transferred any crypto-assets off the Coinbase Platform, and on

December 14, 2021, Coinbase had absolutely no reason to believe he would. Quite the contrary. 165. No reasonable person, and certainly no regulatorily compliant custodial Wallet service provider or crypto exchange in Coinbase’s position would have approved, let alone immediately facilitated the unprecedented (for Mr. Dellone) request to irreversibly transfer six-figures worth of virtual cash to a pseudonymous account, without first confirming the identity of the person requesting the transfer. Coinbase’s conduct was unreasonable and grossly negligent.

III. Coinbase’s Abysmal Customer Service Obstructs Mr. Dellone’s Recovery Efforts And Investigation

166. Following the 24-hour “waiting period” Coinbase imposed on Mr. Dellone, Coinbase restored Mr. Dellone’s access to his account, but not for long.

167. On information and belief, during and after the 24-hour “waiting period,” while Mr. Dellone was still locked out of his Coinbase account, DOES 1-50 retained and enjoyed unfettered access to Mr. Dellone’s account.

168. On information and belief, when Coinbase finally kicked Doe Defendants’ out of Mr. Dellone’s Coinbase account, Coinbase sent an email notification regarding Mr. Dellone’s account to Doe Defendants; this communication caused and exacerbated Mr. Dellone’s damages.

169. Two days after his account was breached, on December 16, 2021, Coinbase sent Mr. Dellone a substantive (not automated) email. The email read, in part: “Our team has been able to successfully transfer the balance from your old account to your new one. You should be able to access these funds immediately.”²²

170. Confused and justifiably concerned by this email, given that, to his knowledge, Mr. Dellone does not have a “new” Coinbase account, Mr. Dellone replied to the email seeking clarity. When Coinbase did not respond to Mr. Dellone’s email request for clarification in a reasonably timely manner given the circumstances, Mr. Dellone submitted another support ticket via Coinbase’s website.

171. Mr. Dellone was not able to submit a support ticket using his Coinbase account because

²² Exhibit B – “Coinbase Email Correspondence with Plaintiff, at p. 2 (*Email from Coinbase to Ryan Dellone*, dated December 16, 2021, at 10:21 PM).

1 he did not (and he still does not) have access to his account.

2 172. In response to Mr. Dellone's second support ticket, Coinbase (more specifically,
3 Coinbase's software) automatically sent Mr. Dellone a classically generic email that merely
4 confirmed Coinbase's generation of another support ticket. The entire email read as follows:
5 "Hello, Thanks for submitting your request to Coinbase Support. We're here to help and will be
6 in touch as soon as possible. In the meantime, you can find answers to many of your questions
7 by visiting our Help Center [hyperlink to URL omitted]. Regards, Coinbase Support."

8 173. Mr. Dellone visited Coinbase's "Help Center," but he found no answers to his questions.

9 **A. Coinbase's "Support Team" Attempts to Cover Up Coinbase's Egregious**
10 **Misconduct and Swindle Mr. Dellone Out of \$1,225**

11 174. On December 17, 2021, three days after Mr. Dellone's account had been drained,
12 Coinbase sent Mr. Dellone an email, which in substantive part, read:

13 Your Coinbase account is currently restricted due to an owed balance caused by an
14 unsuccessful payment for a transaction that was credited to your Coinbase Digital Wallet.
15 Per the terms of the User Agreement, you are responsible for the owed balance in your
16 Coinbase account.

17 175. Mr. Dellone promptly replied to Coinbase's December 17 email, explaining that the latest
18 transactions on his Coinbase account were fraudulent, and that Coinbase had already opened a
19 support ticket related to the fraud. He also explained that, despite Coinbase's previous claim to
20 have transferred a balance of funds to his account, he had never seen any amount credited to his
21 account. *See Exhibit B*, at pp. 3, 6, and 7.

22 176. One of Coinbase's so-called "support" agents replied to Mr. Dellone via email. The
23 support agent's email explicitly acknowledged that Mr. Dellone's account "may have been
24 compromised and unauthorized activity occurred." Nevertheless, the email advised Mr. Dellone
25 that Coinbase had revoked his account access "due to reversed transactions with your [Mr.
26 Dellone's] bank and an outstanding balance owed to Coinbase." The support agent's email
27 specified that Coinbase would not "reimburse or credit" Mr. Dellone for "this outstanding
28 balance owed to Coinbase," and further that, until he "first resolve[s] the outstanding balance

1 owed to Coinbase,” Coinbase will not even consider restoring his account access. Id. at 5, 6.

2 177. Mr. Dellone was then locked out of his Coinbase account again, and to this day, Mr.
3 Dellone remains unable to access his account.

4 178. For over a year, Mr. Dellone has diligently attempted to regain access to his Coinbase
5 account by communicating with Coinbase, taking steps to prove his identity, and by using
6 Coinbase’s “support ticket” system, all to no avail.

7 179. Due to Mr. Dellone’s persistence, Coinbase eventually contacted Mr. Dellone with what
8 Coinbase purported to be instructions for regaining access to his account. Coinbase’s instructions
9 advised Mr. Dellone to submit an “ID Selfie”, in order to verify his identity with Coinbase.
10 Coinbase’s so-called “ID Selfie” procedure required that Mr. Dellone: first, take a digital picture
11 of himself showing his face and him holding one of his government ID cards, along with a piece
12 of paper that includes the day’s date and reads “For Coinbase Verification”; then, access the
13 SendSafely portal (a third-party web-based application) by using the same email address he used
14 to submit his “support ticket”; and finally, upload his “ID selfie” through the “SendSafely”
15 portal, using the link included in Coinbase’s email containing the ID Selfie instructions.

16 180. Mr. Dellone followed Coinbase’s ID Selfie procedure, per Coinbase’s instructions. He
17 then followed up with Coinbase to advise that he had completed the ID Selfie procedure.

18 181. Considering the data that had already been exposed to DOES 1-50 through their
19 unauthorized access to Mr. Dellone’s Coinbase account, a more appropriate manner of
20 confirming Mr. Dellone’s identity than Coinbase’s “ID Selfie” procedure—as opposed to
21 uploading his PII to a third-party portal accessible only via an emailed hyperlink—would have
22 been presenting his government ID card directly to Coinbase while communicating directly with
23 a live Coinbase employee.

24 182. Coinbase’s “ID Selfie” procedure has, on information and belief, exposed Mr. Dellone,
25 to grave privacy violations.

26 183. Coinbase never followed up with Mr. Dellone regarding his “ID Selfie.” Instead,
27 Coinbase eventually emailed Mr. Dellone with an ambiguous request for “additional
28 information,” which Coinbase implied was yet another prerequisite, in addition to the ID Selfie

1 procedure, that Mr. Dellone must satisfy “before [Coinbase] can resolve this case.” Mr. Dellone
2 emailed Coinbase to ask what “additional information” Coinbase required.

3 184. More than two weeks after Mr. Dellone’s account had been breached, on December 30,
4 2021, Coinbase replied to Mr. Dellone’s email, inviting Mr. Dellone to respond, in writing (via
5 email), to a series of questions, purportedly constituting Coinbase’s “security review by email”
6 process.

7 185. Coinbase sent its “security review by email” questions to Mr. Dellone after Coinbase had
8 already asserted, erroneously, that he was responsible for the unauthorized activity on his account.
9 Evidently, Coinbase’s “security review by email” questions were aimed, not at resolving Mr.
10 Dellone’s immediate concerns, nor at verifying Mr. Dellone’s identity, but at baiting Mr.
11 Dellone—a layperson under substantial financial and emotional distress—into hastily and
12 unintentionally providing inaccurate or inadequately informed responses to Coinbase’s leading,
13 inherently unclear inquiries. For example, Coinbase asked, “Was **the device** in your **possession**
14 during the unauthorized activity?” This inquiry, lodged without any context, does not specify which
15 “device” the inquiry concerns, and it inherently suggests undue significance to “possession,” as
16 opposed to “control,” of a device. Coinbase also asked, “Can you provide **any further information**
17 about how your credentials **could** have been compromised?” This question encouraged heedless
18 speculation as to any possible reasons Coinbase might later try and trod out as part of its unscrupulous
19 scheme to slither out of liability for its obvious misconduct.

20 186. When Coinbase sent its “security review by email” questions to Mr. Dellone, Coinbase was
21 well-aware of the fraud on Mr. Dellone’s account, and by that point, Coinbase knew or should have
22 known exactly how DOES 1-50 had breached his account.

23 187. Coinbase maintains and controls virtually all relevant information concerning the breach
24 of Mr. Dellone’s Coinbase account, including data and information about DOES 1-50.

25 188. Mr. Dellone has demanded, on numerous occasions, that Coinbase share his account
26 information with him. In response, Coinbase has provided Mr. Dellone with records that Mr.
27 Dellone has subsequently discovered to be incomplete. For example, the user profile records for
28 Mr. Dellone’s Coinbase account, as initially produced by Coinbase, omit the email address and

1 phone number, which DOES 1-50 used to retain control of his account.

2 189. The exclusion of certain account information, and of all relevant information to which
3 Mr. Dellone, as a California consumer, is entitled, whether intentionally or negligently withheld
4 by Coinbase from Mr. Dellone, has caused Mr. Dellone to incur additional and needless
5 expenses and harms.

6 **IV. Coinbase Breached Its Duties To Mr. Dellone**

7 190. As a unique business that offers unique products and services, Coinbase is subject to
8 unique duties and heightened standards of care, namely concerning the electronic fund transfers
9 Coinbase facilitates, as well as with respect to its user-authentication and customer data-handling
10 practices.

11 191. Among digital service providers and online retailers generally, companies (including
12 Coinbase) that collect and exploit their users' data, are subject to heightened standards of care
13 regarding how the companies manage and store their customers' personal and private
14 information.

15 192. Unlike most conventional consumer financial institutions, Coinbase provides exclusively
16 online services, in addition to conventional online "banking" -type services. Coinbase offers
17 services related to crypto-assets, including digital asset custodial services, and services by which
18 Coinbase facilitates peer-to-peer (P2P) digital asset transfers for its customers.

19 193. Although Coinbase offers non- "traditional" online banking services, Coinbase remains
20 bound by broader categorical duties and standards applicable to traditional retail consumer
21 financial institutions, like banks. Because Coinbase facilitates electronic fund transfers,
22 Coinbase is required to use the customer data it collects and maintains to help prevent and
23 address unauthorized activity and fraud on the Coinbase Platform.

24 194. Moreover, Coinbase is not only a "decentralized" and "remote first" company, Coinbase
25 is also a publicly-traded consumer retail financial institution with zero brick-and-mortar branch
26 locations, and ostensibly no in-person or live telephone support services for its retail customers.

27 195. Given the emerging nature of crypto-assets, and Coinbase's unique "remote-first,"
28 "decentralized" business operations, Coinbase's standards of care and duties are heightened, and

in many ways, are more exacting than traditional financial institutions.

196. As a custodial Wallet service provider and online crypto exchange that routinely manages and facilitates both online banking and crypto-asset transactions, Coinbase is subject to heightened standards of care, specifically with respect to its user authentication practices.

197. The standards of care and duties Coinbase owed Mr. Dellone are reflected in banking, privacy, and securities laws aimed at protecting consumers, retail investors, and the public.

198. Coinbase was and is required to comply with financial services and consumer protection laws, including the strict obligations imposed by the Bank Secrecy Act. See 31 U.S.C. § 5311; 12 C.F.R. § 208.63. The Bank Secrecy Act’s obligations are reinforced by the USA Patriot Act of 2001 (the “Patriot Act”), which underscores the importance of implementing robust internal systems to detect and report money laundering and other suspicious activities.

199. At a minimum, the Bank Secrecy Act and the Patriot Act require that Coinbase form and maintain records and reports, and implement procedures for a “Customer Identification Program” aimed at reasonably ascertaining the true identities of the people for whom it facilitates transactions. See 31 CFR § 1020.220(a)(2).

200. Coinbase was and is also subject to the Electronic Fund Transfer Act, 15 U.S.C. §§ 1693 *et seq.* (“EFTA”) and its corresponding regulations implemented by the Consumer Financial Protection Bureau (“CFPB”), see 12 C.F.R. § 1005.1, *et seq.*

201. Congress designed the EFTA with the “primary objective” of “the provision of individual consumer rights.” 15 U.S.C. § 1693; 12 C.F.R. § 1005.1(b) (the “primary objective of the act and this part is the protection of individual consumers engaging in electronic fund transfers and remittance transfers.”).

202. The Bank Secrecy Act, the Patriot Act, and the EFTA require that traditional financial institutions, and crypto exchanges that provide custodial Wallet services, including Coinbase, take steps to protect consumers by complying with clear, common-sense standards applicable to regulated entities. For instance, to properly verify a customer’s identity, a traditional bank with physical branch locations might ask its customer to visit a branch office, and present one of the bank’s employees with the customer’s government identification card, *in person*. Of course, a

1 “decentralized” institution, like Coinbase, with no physical branch locations, would be unable
2 verify its customer’s identity in the same manner; still, Coinbase is required to employ its
3 customer identity authentication procedures in a fashion reasonably consistent within the spirit
4 of these laws.

5 203. Coinbase has repeatedly touted itself as a regulated, fully-compliant cryptocurrency
6 exchange service provider, registered as a Money Services Business with the United States
7 Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”).

8 204. Before the breach of Mr. Dellone’s Coinbase account, Mr. Dellone reasonably relied on
9 Coinbase’s representations that Coinbase had been operating in compliance with financial and
10 banking regulations, and consistent with consumer data management and cybersecurity
11 standards applicable to all regulated custodial Wallet service providers.

12 205. Coinbase was or should have been aware, prior to December 2021, that its duties
13 concerning the policies, procedures, and practices Coinbase had in place to protect its customers,
14 must be based on Coinbase’s “reasonable” assessment of relevant risks, considering: (i)
15 Coinbase’s size, location, and customer base; (ii) the various types of accounts maintained by
16 Coinbase; (iii) the various types of identifying information available to Coinbase; and (iv) the
17 various methods of opening Coinbase accounts.

18 206. Contrary to the interests of keeping its customers’ accounts secure, Coinbase failed to
19 provide Mr. Dellone with the security features it advertised and was legally required to provide.

20 207. Coinbase failed to protect and restore, or otherwise reimburse Mr. Dellone for the
21 fraudulent conversion of his assets, despite representing that it would safeguard its customers’
22 assets in a manner consistent with the security and diligence commonly provided by other
23 financial institutions and digital asset custodians, such as Coinbase’s competitors.

24 208. Coinbase granted unknown parties (DOES 1-50) access to Mr. Dellone’s Coinbase
25 account, and authorized and facilitated the exchange and unlawful transfer of every single digital
26 asset Mr. Dellone had entrusted to Coinbase’s custody, in flagrant violation of anti-money
27 laundering and consumer protection laws.

28 209. Mr. Dellone’s assets were stolen from his Coinbase account because Coinbase did not

1 have the customary security and user authentication systems in place to detect and prevent the
2 criminal and tortious conduct that resulted in Mr. Dellone's injuries.

3 210. Further, Coinbase's "ID Selfie" procedure was not consistent with the obligations
4 imposed by the BSA or the EFTA.

5 **A. Coinbase Leaked Its Customers' Credentials, Ignored Addressable Security Flaws,**
6 **and Equipped Hackers with Tools to Loot Customer Accounts**

7 211. The credentials necessary to log into a Coinbase account include an email address, a
8 password, and "multi-factor authentication" or "two-factor authentication" ("2FA") mechanism.

9 212. Coinbase enabled and used SMS text messages as a form of 2FA for many of its
10 customers' accounts,²³ including for Mr. Dellone's account—doing so benefitted Coinbase
11 financially, as Coinbase is a publicly-traded company that, in 2021, generated an overwhelming
12 proportion of its multi-billion-dollar revenue from transactions fees.

13 213. In the years leading up to the breach of Mr. Dellone's account, Coinbase exposed its
14 unknowing customers to profuse cyber-attack vectors, by repeatedly leaking its customers'
15 account credentials, publicly, in plain-text form.

16 214. Coinbase, further, emboldened countless malicious actors—ranging from marketing
17 companies to scammers and hackers—with software tools, which bad actors used, along with
18 the "user credentials" Coinbase publicly disclosed, in order to target and swiftly exploit
19 Coinbase's customers while generating obscene amounts of revenue for Coinbase.

20 **1. Coinbase Publicly Exposed Customer "Credentials" In Plain-Text Form**

21 215. Between 2013 and 2023, Coinbase exposed the specific email addresses its customers
22 use when logging into their Coinbase accounts. Coinbase exposed this data by negligently
23 programming its webpage response forms to respond to "sign up," "forgot email," and/or "forgot
24 password" submission requests, by indiscriminately confirming whether the email address
25 submitted to Coinbase's webpages were already being used as a customer's Coinbase-specific
26 "credential."

27
28 ²³ See Coinbase Blog, *Coinbase now offers two-factor authentication*,
<https://coinbase.tumblr.com/post/25677574019/coinbase-now-offers-two-factor-authentication> (June 22, 2012).

1 216. Before April 2021, Coinbase knew or should have known that confirming whether an
2 existing customer uses a particular email address to log into his or her Coinbase account presents
3 grave and unacceptable risks to its customers, and to its customers' privacy and property.

4 217. For years, Coinbase inexcusably exposed many of its customers' account login and
5 authentication credentials, in plain-text form, publicly, in innumerable variations.

6 218. Prior to April 2021, no significant barriers could have reasonably prevented Coinbase
7 from fixing its faulty webpage response forms, which were leaking Coinbase user "credentials"
8 from the Coinbase Platform. Coinbase's executives, agents, Affiliates, and/or employees chose
9 not to fix these leaky webpages.

10 219. Before December 2021, Coinbase could have easily reprogrammed its vulnerable
11 webpage forms so that the responses were consistent with commonly accepted industry
12 standards, which do not confirm or expose, in plain-text form, its users' account-specific user
13 "credentials." For instance, Coinbase could have programmed its webpages to respond with,
14 "Please check your email for further instructions," or "We sent a text message to the phone
15 number linked to that email."

16 220. Additionally, by using the same webpage response form vulnerability that would confirm
17 and identify Coinbase customers' email addresses, bad actors were also able to use the disclosed
18 email addresses to request password resets for Coinbase accounts associated with those emails.
19 In some instances, this allowed the bad actors to verify or confirm, directly with Coinbase, the
20 final digits of the phone numbers used by Coinbase and its customers to "secure" Coinbase
21 accounts associated with the email addresses leaked by Coinbase.

22 221. Prior to May 2021, Coinbase knew that the email addresses it had leaked were being
23 exploited to identify, confirm, and wrongfully assert control over mobile phone numbers and
24 telecommunications services its customers, and Coinbase, used to secure Coinbase customers'
25 accounts.

26 222. For years, the vulnerable webpage forms on Coinbase's Platform leaked Coinbase's
27 customers' data, including Mr. Dellone's data, and although Coinbase had ample opportunities
28 to adequately disclose and fix these webpage security bugs, and thus eliminate the exceptionally

dangerous attack vectors Coinbase left open on its Platform, Coinbase did not seize any of the opportunities it had to rectify these problems.

223. Coinbase and its employees and agents repeatedly ignored glaring cyber-attack vectors, and wantonly exposed its unsuspecting and otherwise defenseless customers to easily-preventable risks of loss and harm, apparently for no good reason.

224. Taking the appropriate steps to correct, or to at least account for Coinbase's data leaks, would have protected many unnecessarily vulnerable Coinbase customers, including Mr. Dellone, from devastating losses and harms, both emotional and financial.

2. Despite the Alarming Increase in "SIM Swap" Attacks, Coinbase Failed to Take Actions Necessary to Address Security Vulnerabilities on Its Platform

225. An unauthorized SIM Swap (or "SIM Swap attack") refers to an unlawful SIM card change.

226. A SIM (or, "Subscriber Identity Module") card is a small, removable chip that allows a mobile phone to communicate with the phone's mobile carrier network. The connection between a mobile phone and its SIM card is made by the telecommunications carrier, which associates each SIM card with a physical phone's IMEI number. The SIM card allows the "carrier" telecommunications company (*i.e.*, cellular network service provider) to determine which subscriber's account is associated with a particular mobile phone.

227. SIM Swap attacks exploit SMS 2FA mechanisms by compromising a trusted connection (the cellular network service provider), unbeknownst to one or more parties who rely on the compromised connection.

228. Mr. Dellone's mobile phone service "carrier" was one of the major branded U.S. telecommunications network providers.

229. During a SIM Swap attack, a SIM card number associated with a victim's mobile phone account is switched from the victim's phone, to a phone in the possession of a third-party (an attacker), thus re-routing the victim's mobile phone service (including incoming data, texts, and phone calls associated with the victim's phone) from the victim's physical phone (still in the victim's possession), to a physical phone controlled by the attacker. The attacker then receives

all the text messages and phone calls intended for the victim. Meanwhile, the victim's phone loses its ability to connect to the carrier network.

230. In a SIM Swap attack, once a third-party obtains control over a victim's phone number, the third-party can use that control to access and take control of the victim's online accounts by, for example, exploiting password reset links and 2FA codes sent via text message to the victim's phone, using the victim's phone number controlled by the third-party.

231. Since at least 2018, Coinbase knew that "man-in-the-middle" attacks, and SIM Swap attacks in particular, are relatively easy to accomplish and were increasingly becoming prevalent in the crypto-economy.

232. Before December 2021, Coinbase knew that SIM Swap attacks present uniquely severe risks of harm to its customers.

233. In and before December 2021, Coinbase knew or should have been able to quickly recognize the hallmarks of a SIM Swap attack, as SIM Swap attacks affecting Coinbase customers were, by that point, not at all uncommon.

234. Coinbase could have taken, but did not take reasonable steps to prevent, detect, and address SIM Swap activity affecting customer accounts on the Coinbase Platform. Coinbase, for example, did not require that Mr. Dellone use application-based (or another form) of multi-factor authentication, rather than SMS-based 2FA, which could have assisted Coinbase in preventing the harms Mr. Dellone experienced as a result of Coinbase's data leaks and other security vulnerabilities.

3. Coinbase Allows Its Users to Abuse VOIP Phone Numbers

235. VOIP phone numbers do not connect to, or make use of, cellular telecommunications networks. Instead, VOIP numbers use internet connections to make voice phone calls and send and receive text messages from mobile device phone numbers.

236. Unlike cellular network phone service providers, VOIP service providers issue phone numbers without the existence of a physical phone, which would otherwise link the phone numbers to physical mobile devices with IMEI numbers.

237. VOIP services can be used with various kinds of internet-connected hardware devices,

1 such as laptop or desktop computers.

2 238. VOIP numbers can be used in conjunction with VPNs to disguise the location of the
3 device using the VOIP phone number.

4 239. VOIP numbers can be exceptionally difficult to associate with a user's identity,
5 especially when proxy services (like VPNs) are used to intentionally disguise the geolocations
6 of devices and mask the association between a device and the user's identity.

7 240. As early as 2019, Coinbase knew or should have known that bad actors use VOIP phone
8 numbers to make themselves harder to track when committing unlawful acts, like, for example,
9 money laundering through online financial accounts secured by SMS 2FA.

10 241. Coinbase has claimed it does not allow its customers to use VOIP phone numbers on its
11 Platform. See, e.g., Coinbase, *Set up two-step verification – Add a Phone Number*,
12 <https://www.coinbase.com/setup/phone> (“For your security, Coinbase does not accept VOIP
13 phone numbers.”).

14 242. Because Coinbase has represented that it does not allow the use of VOIP numbers with
15 Coinbase customer accounts, Coinbase customers face severe cybersecurity risks when VOIP
16 numbers are used by users of the Coinbase Platform. By permitting the use of VOIP numbers,
17 Coinbase provided DOES 1-50 with an effective means to clandestinely exploit Coinbase's SMS
18 2FA procedures and capitalize on the attack vectors left open by Coinbase. Absent Coinbase's
19 negligence in this regard, breaching Mr. Dellone's Coinbase account would have been more
20 difficult, less enticing, and likely impossible for one or more of DOES 1-50.

21 243. Coinbase negligently, carelessly, and recklessly permitted Coinbase accounts to be
22 created and used with VOIP phone numbers, without implementing or enforcing reasonable
23 measures for addressing the inherent risks to Coinbase customers' assets imposed thereby.

24 244. Coinbase either programmed and continued to maintain seriously flawed automated
25 software systems, or instructed its employees to approve the utterly absurd requests made by
26 DOES 1-50, which, in this case, changed Mr. Dellone's email address and phone number to the
27 hackers' email address and VOIP phone number (with a Montana area code). As a result, Mr.
28 Dellone's prospects of identifying DOES 1-50 are drastically lower than they otherwise would

1 have been, had Coinbase banned the use of VOIP numbers, as Coinbase had represented it had,
2 prior to the breach of Mr. Dellone's Coinbase account.

3 **B. Before April 2021, Coinbase Global Knew CBI Had Failed to Address Imminent**
4 **Cyber-Threats to Coinbase's Customers**

5 245. Coinbase collected, exploited, and profited from Mr. Dellone's sensitive personal and
6 confidential data, while needlessly exposing Mr. Dellone to cyber-threats that Coinbase caused,
7 ignored, deceitfully downplayed, and failed to address.

8 246. Since at least 2017, Coinbase has known that bad actors, including criminal hackers,
9 money launderers, and scammers, seek out and utilize leaked Coinbase customer data to obtain
10 or verify consumer online account credentials and account assets.

11 247. Between 2018 and 2022, Coinbase observed a dramatic increase in unauthorized
12 electronic fund transfers resulting from SIM Swap attacks. This problem was well-documented
13 by Coinbase users and the media.²⁴

14 248. Between 2018 and 2022, CBI's cybersecurity and customer data management practices
15 and procedures were not reasonable for a consumer financial service provider and custodian of
16 consumer digital assets and data.

17 249. Since at least 2019, Coinbase Global knew or should have known that many of
18 Coinbase's customers were being targeted by criminal hackers seeking to abuse leaked Coinbase
19 customer data, in order to steal cryptocurrencies on the Coinbase Platform.

20 250. Before December 2021, Coinbase knew that some Coinbase users had their Coinbase
21 "access tokens" compromised in a data breach.²⁵

22 251. Coinbase's indifference to the risks posed by SIM Swap attacks, which Coinbase foisted
23 on Mr. Dellone and its other unsuspecting retail customers, contributed substantially to Mr.
24 Dellone becoming, and potentially becoming a target of unsolicited and harmful online
25 intrusions, including highly-specific and unwanted advertisements, online account breaches,
26

²⁴ TechCrunch, *Coinbase vulnerability is a good reminder that SMS-based 2FA can wreak havoc*,
27 <https://techcrunch.com/2017/09/18/ss7-coinbase-bitcoin-hack-2fa-vulnerable/> (published Sept. 17, 2018).

²⁵ See, e.g., ZDNet, *Coinbase sends out breach notification letters after 6,000 accounts had cryptocurrency stolen*,
28 <https://www.zdnet.com/article/coinbase-sends-out-breach-notification-letters-after-6000-accounts-had-funds-stolen/>
(published October 1, 2021).

1 phishing attempts, data exfiltration, complete account takeovers, and other privacy violations
2 and data and personal property losses Mr. Dellone has sustained, or which he now remains at
3 persistent risk of sustaining in the future.

4 252. In spite of simple, cost-effective measures readily available to Coinbase, which would
5 have prevented the harms and losses Mr. Dellone has sustained, Coinbase failed to take
6 reasonable steps to improve its substandard customer authentication and credential management
7 practices.

8 253. Despite the harms Defendants inflicted on Mr. Dellone, Coinbase's employees or agents
9 obstructed, and intentionally or negligently delayed Mr. Dellone's investigation of his claims,
10 by withholding relevant transaction and account data, thereby assisting DOES 1-50 in their
11 efforts to remain anonymous.

12 254. Coinbase's cybersecurity and consumer-protection features were not provided to Mr.
13 Dellone as advertised, nor were they proportional to the serious threats posed by the increasingly
14 abundant SIM Swap activity on the Coinbase Platform, which Coinbase Global knew was
15 directed at Coinbase customers.

16 255. For months, if not for more than a year after the theft of Mr. Dellone's crypto-assets,
17 Coinbase was required to, but did not take, and has not taken, reasonable steps to remedy its
18 flawed security and authentication practices, as herein alleged.

19 256. Prior to and during the commission of the herein alleged theft and fraud, CBI ignored
20 Mr. Dellone's cyber-identification data, or failed to use said data to secure his Coinbase account
21 and his digital assets in Coinbase's custody.

22 257. On information and belief, CBI implemented policies that prevented or discouraged its
23 employees and its Affiliates from taking timely actions that would have prevented, mitigated, or
24 reduced Mr. Dellone's damages.

25 258. Coinbase Global recognized thousands of dollars in unearned transaction fees from the
26 fraudulent transactions Coinbase effectuated using Mr. Dellone's Coinbase account. Those fees
27 were paid using Mr. Dellone's funds and assets; and those fees have directly benefitted Coinbase,
28 and not Mr. Dellone.

259. For years, Coinbase has enjoyed undeserved customer loyalty resulting from its false representations, including, for example, its claims that it has “never lost” customer funds due to a breach of its Platform. Coinbase has been unjustly enriched, both financially and reputationally, at Mr. Dellone’s direct expense.

C. Coinbase Emboldened DOES 1-50 by Persistently Disregarding Open Attack Vectors on Its Platform

260. For nearly a decade, Coinbase failed to address various, heavily-abused weaknesses on its Platform, and in addition, enforced ineffective “rate limits” on log-ins attempts, transaction requests, and other actions on the Coinbase Platform, particularly in Coinbase’s “developer” environment.

261. Absent Coinbase’s misconduct, criminal hackers and scammers could not have compiled lists of Coinbase account credentials and other customer-specific data (*e.g.*, account balances) verified directly by Coinbase itself.

262. On information and belief, before December 14, 2021, DOES 1-50 used data leaked by Coinbase to determine that Mr. Dellone’s Coinbase account was worth attempting to breach.

263. On information and belief, at least one of DOES 1-50 submitted Mr. Dellone’s email address to Coinbase’s webpage, purporting to “sign up,” or “log in” to Mr. Dellone’s Coinbase account; Coinbase automatically responded to the request by confirming that Mr. Dellone used his specific email address as a Coinbase credential.

264. On information and belief, DOES 1-50 attempted to reset the password for Mr. Dellone’s Coinbase account using the email address DOES 1-50 had previously verified with Coinbase; Coinbase responded to Doe Defendants’ requests by confirming that Mr. Dellone used SMS 2FA to secure his Coinbase account, and by disclosing or verifying the final digits of Mr. Dellone’s mobile cell phone number.

265. On information and belief, the last two digits of Mr. Dellone’s phone number allowed DOES 1-50 to confirm the full phone number Mr. Dellone and Coinbase used to secure his Coinbase account with SMS 2FA.

266. On information and belief, prior to breaching Mr. Dellone’s Coinbase account, DOES 1-

50 used Coinbase’s “developer tools” to verify Mr. Dellone’s Coinbase account data, and check the balance of funds stored in (or associated with) Mr. Dellone’s Coinbase account.

267. On information and belief, after obtaining Mr. Dellone’s email address, Doe Defendants utilized Coinbase’s “developer tools” and ineffective rate limits to attempt to brute force Mr. Dellone’s Coinbase account password, and/or to engage in credential stuffing for the same purpose.

268. On December 14, 2021, DOES 1-50 unsuccessfully attempted to log into Mr. Dellone’s Coinbase account over forty (40) different times, including from devices connected to networks in Russia, Belarus, and Kazakhstan, among other locations.

269. Even with this context, when DOES 1-50 initiated the series of transactions that liquidated the assets in Mr. Dellone’s account, Coinbase failed to detect, and then continuously permitted Doe Defendants to use automated software and/or Coinbase’s developer tools to target, breach, and decimate Mr. Dellone’s Coinbase account.

270. On information and belief, DOES 1-50 accomplished an unauthorized SIM Swap of Mr. Dellone’s cellular phone service, with the aim of gaining access to his Coinbase account.

271. On information and belief, DOES 1-50 would not have been motivated to SIM Swap Mr. Dellone, had Coinbase not already confirmed or provided one or more of DOES 1-50 with Mr. Dellone’s email address and the final digits of his phone number, which Coinbase confirmed for Doe Defendants as valid “credentials” used to access the Coinbase Platform.

272. The SIM Swap attack on Mr. Dellone’s account did not impact Coinbase’s ability to prevent or adequately address the financial harms Mr. Dellone sustained before, as, or after Mr. Dellone sustained his harms.

273. Had Coinbase prevented users of the Coinbase Platform from using VOIP numbers, Coinbase could have quickly identified the source of Mr. Dellone’s account breach, simply by recognizing the unauthorized IMEI number, which likely would have allowed Coinbase to determine the location and identity of DOES 1-50.

V. Coinbase’s User Agreement Is Unconscionable, Void, And Unenforceable

274. Mr. Dellone and Coinbase were parties to various versions of Coinbase’s user agreement.

275. Mr. Dellone complied with the terms and conditions set out and implied in the various agreements between Mr. Dellone and Coinbase.

276. Coinbase’s user agreement, dated December 6, 2021 (the “User Agreement”), was the latest during the relevant time period. The User Agreement incorporated the Coinbase Global Privacy Policy, dated October 8, 2021 (the “Privacy Policy”), and Coinbase’s Cookie Policy, dated October 1, 2021 (the “Cookie Policy”). The User Agreement, Privacy Policy, and Cookie Policy are attached to this Complaint as “Exhibit A”.

277. The User Agreement was a “clickwrap agreement” (or “browsewrap agreement”), drafted by Coinbase, which Coinbase presented to Mr. Dellone on a “take it or leave it” basis.

278. Although the User Agreement contains an arbitration provision, there are several cumbersome conditions precedent to seeking arbitration, which Coinbase customers must satisfy before seeking to arbitrate their disputes with Coinbase. These conditions are inextricable from the User Agreement’s “delegation clause,” which, as further alleged below, unfairly benefits Coinbase and harms Mr. Dellone.

279. Coinbase has always been aware that time is of the essence in responding to cyber-attacks on the Coinbase Platform.

280. According to the User Agreement, in the event a “dispute” arises between Mr. Dellone and Coinbase, Mr. Dellone (the customer) must first attempt to resolve his dispute with Coinbase’s “support team”; only if Coinbase’s support team fails to resolve the dispute, can Mr. Dellone then initiate Coinbase’s so-called “Formal Complaint Process” (“FCP”), which is described in the User Agreement.

281. Per the User Agreement, Coinbase has a self-imposed obligation to resolve customer disputes raised through the FCP, by no later than 35 days after the customer initiates the FCP (by submitting his or her FCP complaint form). *See* User Agreement, §§ 8.2.1, 8.2.2, Exhibit A.

282. According to the User Agreement, Mr. Dellone may exercise his right to demand arbitration, only if he completes Coinbase’s time-consuming and one-sided FCP.

283. The User Agreement’s delegation clause delegates decisions concerning the arbitrability of disputes between Mr. Dellone and Coinbase, to Coinbase.

284. The delegation clause requires that Coinbase customers delay their demands to arbitrate potential claims against Coinbase until the conclusion of the FCP, which, subject to Coinbase’s sole discretion, can leave its customers waiting for a resolution for well over a month after a dispute first arises, as was the case here.

285. Unlike Coinbase’s customers, Coinbase benefits from the FCP because Coinbase is not subject to any burdensome pre-arbitration processes or conditions precedent to demanding arbitration against Mr. Dellone.

286. Along with the other pre-FCP waiting periods (*e.g.*, attempting to resolve “disputes” with Coinbase’s “support team”) and the myriad formal and informal barriers Coinbase set in front Mr. Dellone (*e.g.*, locking Mr. Dellone out of his account; demanding that Mr. Dellone reimburse Coinbase), the waiting period imposed by the FCP is beneficial to Coinbase, convenient for DOES 1-50, and severely prejudicial to Mr. Dellone and Coinbase’s other retail customers facing time-sensitive circumstances similar to Mr. Dellone’s.

287. Before December 2021, Coinbase knew that its “phone agents” would not be available to appropriately handle support calls, including calls pertaining to urgent and important customer inquiries and requests, such as situations where, as here, a customer (Mr. Dellone) has timely reported unauthorized activity on his Coinbase account and is attempting to verify his identity and protect his assets from irrevocable loss.²⁶

288. The unavailability of qualified, adequately-trained Coinbase phone agents and employees significantly delayed Mr. Dellone’s initiation of the FCP by further delaying the preconditional “support team” phase of the “dispute resolution” process, which he, as a Coinbase customer, was required to complete prior to initiating the FCP (the FCP, itself, then being another up-to-35-day process).

289. When Coinbase presented Mr. Dellone with the User Agreement, Coinbase knew or

²⁶ Compare, Coinbase, *How Can I Contact Coinbase Support?*, <https://help.coinbase.com/en/coinbase/getting-started/other/how-can-i-contact-coinbase-support> (“Please be aware that we currently do not offer any phone support with a live agent” (emphasis in original), with <https://help.coinbase.com/en/coinbase/privacy-and-security/account-compromised/my-account-was-compromised> (“Call Coinbase Support to lock your account yourself using our automated system or to get help from a live agent”) (emphasis added), and (“Speak directly to someone on our support team to get answers about your account, crypto purchases, or payments.”) (emphasis added).

1 should have known that Coinbase did not have adequate staffing, and did not have in place the
2 appropriate policies, practices, or procedures necessary for Coinbase to comply with the pre-
3 arbitration dispute resolution process Coinbase itself had devised.

4 290. Coinbase entered into the User Agreement knowing that, should Mr. Dellone ever initiate
5 the FCP, Coinbase would likely breach, or become in breach, of its obligations under the terms
6 of the User Agreement. Coinbase, for example, knew that its employees, representatives, and
7 agents responsible for responding to its customers' "support tickets" were ill-equipped,
8 underprepared, or completely incapable of timely responding to the urgent issues Mr. Dellone
9 subsequently raised in his FCP complaint.

10 291. The pre-arbitration dispute resolution process is incorporated into and has served as a
11 prerequisite for Coinbase customers to invoke their contractual rights, as set out in the
12 "arbitration agreement" of the User Agreement.

13 292. On numerous occasions between October 2013 and December 2021, Coinbase
14 misrepresented its ability to comply with its own arbitration procedures, and Coinbase therefore
15 fraudulently induced Mr. Dellone to accept and comply with the FCP, knowing that the FCP and
16 Coinbase's own unscrupulous antics would unfairly prejudice Mr. Dellone's prospects of
17 recovering his stolen assets.

18 293. The User Agreement is grossly unfair because the delegation clause specifies that
19 Coinbase customers, but not Coinbase, must wait up to 35 days before demanding arbitration—
20 but whether arbitration is, in fact, appropriate (*e.g.*, whether the preconditions have been
21 satisfied) is a determination Coinbase has reserved exclusively for Coinbase, per the User
22 Agreement.

23 294. The User Agreement is unconscionable and unenforceable because the obligations to
24 initiate and engage in futile correspondence with Coinbase's "support team," submit "ID Selfies"
25 through third-party online portals, and comply with the one-sided "arbitration" provision and
26 unconscionable "delegation" clause set out in the User Agreement, apply only to claims Mr.
27 Dellone has or would initiate against Coinbase. Coinbase, on the other hand, is subject to no such
28 obstacles or conditions precedent with respect to claims it might initiate against Mr. Dellone.

295. Coinbase has never been limited by the User Agreement with respect to its ability to pursue claims against Mr. Dellone, by whatever means Coinbase deems necessary. For instance, when Coinbase disputed its liability for the unauthorized Bitcoin purchases made using Mr. Dellone's bank account (which were reversed by Mr. Dellone's bank), Coinbase resolved its "dispute"—not by demanding arbitration—but by simply exploiting Coinbase's unilateral ability to prevent Mr. Dellone from regaining access to his Coinbase account, pending his remittance of the alleged reimbursement amounts Coinbase has demanded from him. Mr. Dellone never paid Coinbase the bogus reimbursement amounts Coinbase claimed he owes, and thus, Coinbase never restored Plaintiff's account access.

296. On March 11, 2022, after completing the conditions precedent to initiating the FCP, Mr. Dellone completed and submitted the FCP complaint form, thereby initiating the FCP.

297. Coinbase failed to engage in the FCP and the dispute resolution process in good faith.

298. Coinbase did not respond to Mr. Dellone's FCP complaint form by May 2, 2022, over 35 days after Mr. Dellone sent his complaint form to Coinbase.

FIRST CLAIM FOR RELIEF

VIOLATION OF THE ELECTRONIC FUND TRANSFER ACT ("EFTA"), 15 U.S.C.

SECTION 1693 ET SEQ. (AGAINST COINBASE)

299. Plaintiff realleges and incorporates each of the above paragraphs 1 – 298, as though fully set forth in this cause of action.

300. The actions and omissions of Coinbase, as alleged herein, violate obligations imposed by the Electronic Fund Transfer Act, 15 U.S.C. §§1693 *et seq.* ("EFTA") and Regulation E, including, 12 C.F.R. § 1005.7.

301. Coinbase provides users with hosted "Digital Currency" wallets for holding "Digital Currencies," and a hosted U.S. Dollars wallet for holding U.S. Dollar-denominated obligations.

302. Coinbase is a "financial institution" as defined by the EFTA because it is a corporation that holds accounts belonging to consumers, including Plaintiff's Coinbase account and digital Coinbase-issued wallets.

1 303. Plaintiff is a “consumer” as defined by the EFTA because he is a natural person.

2 304. Plaintiff’s Coinbase account is an “account” as defined by the EFTA and/or Regulation
3 E because it is an asset account held directly by Coinbase and established primarily for personal,
4 family, or household purposes.

5 305. Plaintiff and Coinbase established Plaintiff’s Coinbase account, and Plaintiff used his
6 Coinbase account for personal purposes and not for business purposes.

7 306. The primary purpose of the unauthorized transfers alleged herein was not the purchase
8 or sale of securities or commodities, but rather for the purpose of stealing or laundering securities
9 or commodities.

10 307. The electronic fund transfers at issue were each an “unauthorized electronic fund
11 transfer” because they were initiated by a person other than Plaintiff, by fraud, without actual
12 authority to initiate those transfers, and from which Plaintiff has received no benefit.

13 308. According to 15 U.S.C § 1693c and Regulation E, 12 C.F.R. § 1005.7, all financial
14 institutions are required to make the disclosures set forth in § 1005.7(b), *before* the first electronic
15 fund transfer is made involving a consumer’s account.

16 309. Coinbase was required to take steps to monitor Plaintiff’s account for fraudulent and
17 unauthorized transfers.

18 310. Coinbase has violated Regulation E by failing to provide appropriate initial disclosures
19 to Plaintiff, including: **(i)** a summary of Plaintiff’s liability under 12 CFR § 1005.6 or under state
20 or other applicable law or agreement, for the unauthorized electronic fund transfers; **(ii)** the
21 telephone number and address of the person or office to be notified when Plaintiff believes that
22 an unauthorized electronic fund transfer has been or may have been made; and **(iii)** Coinbase’s
23 business days.

24 311. Coinbase has also violated Regulation E by failing to provide adequate disclosures to
25 Plaintiff concerning: **(iv)** the type of electronic fund transfers that Plaintiff may make, and any
26 limitations on the frequency and dollar amount of transfers; and **(v)** any fees imposed by
27 Coinbase for electronic fund transfers, or for the right to make such transfers.

28 312. Coinbase has also violated Regulation E by failing to provide Plaintiff: **(vi)** a summary

of Plaintiff's right to receipts and periodic statements, as provided in 12 CFR § 1005.9, and notices regarding preauthorized transfers as provided in 12 CFR § 1005.10(a) and (d); **(vii)** a summary of Plaintiff's right to stop payment of a preauthorized electronic fund transfer and the procedure for placing a stop-payment order, as provided in 12 CFR § 1005.10(c); and **(viii)** a summary of Coinbase's liability to Plaintiff under section 910 of the Act for failure to make or to stop certain transfers.

313. Coinbase has also violated Regulation E by failing to provide Plaintiff: **(ix)** a notice that is substantially similar to Model Form A-3 as set out in appendix A of 12 CFR 1005.1, et seq., concerning error resolution; and **(x)** a notice that a fee may be imposed by an automated teller machine operator (as defined in 12 CFR § 1005.16(a)), when a Plaintiff initiates an electronic fund transfer or makes a balance inquiry, and by any network used to complete the transaction.

314. Coinbase failed to undertake its responsibilities to remedy the unauthorized electronic fund transfers under the EFTA and Regulation E by failing to timely credit and/or provisionally recredit Plaintiff's Coinbase account pending Coinbase's investigation.

315. Coinbase users have repeatedly implored Coinbase to help them rectify unauthorized transfers related to SIM Swap attacks involving customer accounts on the Coinbase Platform; Coinbase has consistently ignored its customers' requests, and instead, has relied on automated responses that frequently fail to address Coinbase users' concerns.

316. For many months, and continuing today, Coinbase has turned a blind eye to multiple systemic security issues affecting customer accounts on its Platform, which has directly harmed Coinbase customers, including Plaintiff, and has further advanced the false notion that victimized customers are without any legitimate recourse to ever see those issues corrected.

317. Before Coinbase participated in the fraudulent transfers of Plaintiff's funds and assets, Coinbase knew or should have known of the repeated breaches of its Platform, and of the illicit exploitations of its software tools.

318. Coinbase was or should have been aware of, but was not prepared to handle, time-sensitive inquiries concerning unauthorized electronic fund transfers on its customers' accounts.

319. Coinbase failed to provide its customers, including Plaintiff, with timely, appropriate

1 customer support, and the requisite disclosures, notices, and information, as required by the
2 EFTA and Regulation E.

3 320. Plaintiff has provided Coinbase timely actual and/or constructive notice of the
4 unauthorized electronic transfers on his Coinbase account and affecting his bank account and
5 Crypto Wallets.

6 321. Coinbase has never provided Plaintiff with disclosures compliant with 12 C.F.R. §
7 1005.7(b). Therefore, under 15 U.S.C. § 1693g and/or 12 C.F.R. § 1005.6, Plaintiff has no
8 liability for the unauthorized electronic fund transfers.

9 322. Coinbase failed to timely and in good faith investigate the unauthorized electronic fund
10 transfers from Plaintiff's Coinbase account, as required by 15 U.S.C. § 1693f(a)(3) and 15 U.S.C.
11 § 1693f(d), when Coinbase failed to conduct a timely and reasonable review of its own records
12 as, or when the first twenty-two (22) unauthorized transactions on Plaintiff's Coinbase account
13 occurred, and as or when the 2.05 BTC was transferred from Plaintiff's BTC Wallet hosted on
14 the Coinbase Platform, to the Doe Defendants' off-Platform BTC Wallet. See 12 C.F.R. §
15 205.11(c)(4); see also Supp. I to § 205 at 11(c)(4)–5.

16 323. Adequate and timely investigations would have led Coinbase to the conclusion that fraud
17 was occurring and had occurred on Plaintiff's Coinbase account, given that Plaintiff had not
18 authorized the transfers at issue, and considering that these kinds of fraudulent transfers were
19 previously and widely reported by other Coinbase users who had experienced SIM Swap attacks.

20 324. Plaintiff is entitled to compensatory damages, attorneys' fees, and costs for Coinbase's
21 inadequate investigation, pursuant to 15 U.S.C. § 1693m(a).

22 325. Because Coinbase has failed to timely correct the "errors" (statutorily defined to include
23 "unauthorized electronic fund transfers") on Plaintiff's account, by failing to timely credit or
24 provisionally recredit Plaintiff's account after Plaintiff's account had been breached and drained
25 of funds (see 15 U.S. Code § 1693f(b)-(c)), this failure, separately, results in compensatory
26 damages owed to Plaintiff, pursuant to 15 U.S.C. § 1693m(a).

27 326. Because Coinbase has failed to conduct timely, good faith investigations into the
28 fraudulent transactions that Plaintiff actually or constructively reported to Coinbase, and has, as

a result, failed to provide Plaintiff reasonable and effective notice based on any such reasonable, good faith investigation of the unauthorized electronic fund transfers, Coinbase is liable for treble damages under the EFTA.

327. Coinbase has failed to use the resources and procedures needed to timely resolve the fraud that occurred on Plaintiff's Coinbase account, thus demonstrating Coinbase's persistent inability or unwillingness to timely form a reasonable basis for believing Plaintiff's account was not in "error."

328. To the extent Coinbase has concluded that Plaintiff's account was not in "error," Coinbase has knowingly and willfully reached that conclusion when that conclusion could not reasonably have been drawn from the evidence available to Coinbase at the time of any investigation conducted by Coinbase.

329. Plaintiff is entitled to compensatory damages, attorneys' fees, and costs under 15 U.S.C. § 1693m, as well as treble damages under 15 U.S.C. § 1693f(e).

330. Coinbase is liable for treble damages under the EFTA because it has not had any reasonable basis for believing Plaintiff's account was not in "error."

SECOND CLAIM FOR RELIEF

COMPUTER FRAUD AND ABUSE ACT (18 U.S.C. § 1030) ("CFAA") (AGAINST ALL DEFENDANTS)

331. Plaintiff realleges and incorporates each of the above paragraphs 1 – 330, as though fully set forth in this cause of action.

332. Plaintiff's mobile device is capable of connecting to the Internet.

333. Plaintiff's BTC and BSV Wallets are capable of connecting to the Bitcoin network.

334. Defendants intentionally accessed Plaintiff's BTC and BSV Wallets, without Plaintiff's authorization, in order to assist or benefit from the theft, exchange, or sale of Plaintiff's valuable digital assets.

335. Defendants intentionally accessed Plaintiff's mobile device without Plaintiff's authorization, in order to assist or benefit from the theft, exchange, or sale of Plaintiff's valuable digital assets.

336. Defendants, including their agents and employees, took these actions knowing that they would cause damage to Plaintiff's mobile device, as well as damage to the information located on his mobile device.

337. Defendants, including their agents and employees, took these actions knowing that they would cause damage to Plaintiff's BTC and BSV Wallets, as well as damage to the cryptocurrencies in those Wallets.

338. Defendants caused Plaintiff's mobile device and certain valuable data on it, specifically text messages sent to his device by or because of Coinbase, to be unusable to him.

339. Defendants caused Plaintiff's BTC and BSV Wallets and certain valuable assets in them, specifically bitcoins and BSV, to be unusable to him.

340. As a direct and proximate result of the Defendants' actions, Plaintiff has suffered damage to his mobile device, and damage to or loss of information on his mobile device, which Plaintiff was unable to access for critical period of time.

341. As a direct and proximate result of the Defendants' actions, Plaintiff has suffered damage to his BTC and BSV Wallets, and damage to or loss of cryptocurrencies, which Plaintiff has been unable to access for over a year.

342. The act of performing an unauthorized SIM Swap of Plaintiff's mobile SIM card was in the scope of work for the employees and agents of DOES 1-50.

343. The act of authorizing access devices associated with Coinbase customer accounts was in the scope of work for the employees and agents of Coinbase.

344. Plaintiff spent approximately \$5,000 investigating who accessed and/or damaged, interfered with, or wrongfully used Plaintiff's mobile device and/or damaged information on it; as well as who accessed and/or damaged, interfered with, or wrongfully used Plaintiff's BTC and BSV Wallets and/or damaged the assets in them.

THIRD CLAIM FOR RELIEF

VIOLATIONS OF CALIFORNIA CONSUMER PRIVACY ACT OF 2018 ("CCPA") –

CAL. CIV. CODE §§ 1798.100 ET SEQ. (AGAINST COINBASE AND DOES 1 – 10)

345. Plaintiff realleges and incorporates each of the above paragraphs 1 – 344, as though fully

set forth in this cause of action.

346. Civil Code section 1798.150, subdivision (a)(1), provides,

Any consumer whose nonencrypted and nonredacted personal information is subject to an unauthorized access and exfiltration, theft, or disclosure as a result of the business's violation of the duty to implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information may institute a civil action for any of the following: [(i) statutory damages or actual damages, whichever is greater; (ii) injunctive or declaratory relief; and (iii) any other relief the court deems proper.]

See Cal. Civ. Code. §1798.150.

347. Plaintiff is a "consumer" within the meaning of Cal. Civ. Code § 1798.140(g).

348. Defendants are "businesses" within the meaning of Cal. Civ. Code § 1798. 140(0).

349. Plaintiff has provided Coinbase and DOES 1-10 "personal information" within the meaning of Cal. Civ. Code § 1798. 140(V).

350. From 2013 to the present, Defendants were aware of the confidential and sensitive nature of the personal and financial information Plaintiff provided Defendants.

351. Defendants violated Cal. Civ. Code §§ 1798.100 *et seq.* ("CCPA") by subjecting Plaintiff's nonencrypted personal and sensitive information to unauthorized access, exfiltration, theft, and disclosure as a result of Defendants' violations of their duties to implement and maintain security procedures and practices appropriate for the nature and sensitivity of that information, in violation of Cal. Civ. Code § 1798.150(a).

352. Plaintiff has suffered injuries stemming from Defendants' loss and unauthorized exposure of Plaintiff's valuable and confidential digital assets, including: (i) the lost or diminished value of his digital identification data—for instance, whereas legitimate buyers of digital consumer data compensate consumers with contracted-for services in exchange for personal information, now, as a result of Defendants' disclosures of Plaintiff's data to unauthorized individuals and companies, third-parties (including marketing companies, salespeople, scammers, and hackers) can now obtain this information for free; (ii) out-of-pocket

1 expenses associated with the prevention, detection, and recovery from potential identity theft,
2 tax fraud, and unauthorized use of Plaintiff's PII; (iii) lost opportunity costs associated with
3 efforts expended, and Plaintiff's loss of productivity in attempting to mitigate the consequences
4 of Defendants' actions and omissions, including but not limited to Plaintiff's lost time, at an
5 estimated average loss of \$125 per hour in lost labor hours, which he has spent and will spend
6 mitigating his potential and realized losses; as well as restoring the ability to log into and
7 completely recover his Coinbase account; dealing with impersonation activities, including
8 phishing emails; reviewing his credit reports; scrutinizing his financial information; detecting
9 identity theft; and changing his passwords; (iv) continued risks to Plaintiff's PII, to the extent it
10 is still in Defendants' respective possessions and subject to further unauthorized disclosures, for
11 as long Defendants fail to protect his PII; and (v) future costs in terms of loss of time, effort, and
12 money that will be expended to monitor, prevent, detect, contest, and repair the impact of the
13 cyber-identification data compromised and altered as a result of Defendants' actions and
14 omissions, for the remainder of Plaintiff's life.

15 353. Pursuant to Cal. Civ. Code § 1798.150(b), prior to the filing of this Complaint, on April
16 20, 2023, counsel for Plaintiff served Coinbase with notice of the alleged CCPA violations by
17 certified mail, return receipt requested, and by email. See *Notice of CCPA Violations*, copy
18 attached hereto as "Exhibit C" (without attachments; with copy of return receipt attached).
19 Coinbase has not responded.

20 354. Cures to Coinbase's violations are possible. Coinbase has failed to cure these violations,
21 or if it has, Coinbase has failed to provide Plaintiff with an express written statement that the
22 violations have been cured.

23 355. Plaintiff is entitled to actual, punitive, and statutory damages, disgorgement, restitution,
24 and other relief available under Cal. Civ. Code § 1798.150(a).

25 356. Plaintiff seeks injunctive relief in the form of an order enjoining Coinbase from
26 continuing to violate the CCPA because, unless and until Coinbase is restrained by order of this
27 Court, Coinbase will continue causing injuries, including irreparable harm to Plaintiff and to other
28 similarly situated Coinbase customers.

FOURTH CLAIM FOR RELIEF
VIOLATIONS OF CALIFORNIA’S SHINE THE LIGHT LAW – CAL. CIV. CODE §§
1798.83 ET SEQ. (AGAINST COINBASE)

357. Plaintiff realleges and incorporates each of the above paragraphs 1 – 356, as though fully set forth in this cause of action.

358. Plaintiff is a “customer” of Coinbase, as defined by Cal. Civ. Code § 1798.83(e)(1).

359. Plaintiff and Coinbase were engaged in an ongoing “established business relationship,” as defined by Cal. Civ. Code § 1798.83(e)(5).

360. Coinbase did not provide the legally required privacy disclosures to Mr. Dellone pursuant to Cal. Civ. Code § 1798.83(b)(1).

361. Plaintiff requested his account data from Coinbase in January 2022, February 2022, and April 2023, and on each occasion Coinbase failed to provide him with complete, accurate, and timely disclosures in response to Plaintiff’s account data disclosure requests, in violation of Cal. Civ. Code § 1798.83(a).

362. Plaintiff’s personal information has monetary value and can be sold for a profit or exchanged for services.

363. Coinbase’s failure to comply with Cal. Civ. Code § 1798.83(b)(1) diluted the value of Plaintiff’s personal information.

364. Because Coinbase has deprived Mr. Dellone of the opportunity to sell his personal information for financial or personal gain in the future, Plaintiff has not received the full value of the services for which he paid Coinbase.

365. Coinbase’s failure to comply with Cal. Civ. Code § 1798.83(b)(1) prevented Plaintiff from mitigating his ongoing injuries caused by the breaches of his Coinbase account.

366. Coinbase’s failure to provide the proper section 1798.83(b)(1) disclosures has deprived Plaintiff of value, and caused him economic harm. Plaintiff has sustained, and continues to sustain monetary injuries as a direct and proximate cause of Coinbase’s violations.

367. Plaintiff is entitled to civil penalties pursuant to Cal. Civ. Code § 1798.84(c).

368. Plaintiff requests that this Court enjoin Coinbase’s unlawful conduct, including

Coinbase’s ongoing exploitation of Plaintiff’s data and information, in all forms, pursuant to Cal. Civ. Code § 1798.84(e).

FIFTH CLAIM FOR RELIEF

VIOLATION OF CALIFORNIA PENAL CODE § 496 (AGAINST COINBASE)

369. Plaintiff realleges and incorporates each of the above paragraphs 1 – 368, as though fully set forth in this cause of action.

370. California Penal Code § 496(a) prohibits any person from buying or receiving “any property that has been stolen or that has been obtained in any manner constituting theft or extortion, knowing the property to be so stolen or obtained, or who conceals, sells, withholds, or aids in concealing, selling, or withholding any property from the owner, knowing the property to be so stolen or obtained.”

371. Coinbase is a “person,” as that term is used in Cal. Pen. Code § 496.

372. Coinbase violated California Penal Code § 496 by obtaining personal property (crypto-assets and digital U.S. Dollar-denominated financial obligations), belonging to Plaintiff, by theft, and by knowingly withholding said property from Plaintiff.

373. Coinbase violated California Penal Code § 496 by aiding in obtaining and withholding the crypto-assets and “digital dollars” belonging to Plaintiff, which Coinbase knew to be stolen.

374. Plaintiff has been injured by Coinbase’s violation of California Penal Code § 496.

375. Pursuant to California Penal Code § 496(c), Plaintiff is entitled to three times the amount of his actual damages, to be proven at trial, but in any event, in an amount not less than \$303,000, plus cost of suit, and reasonable attorneys’ fees.

SIXTH CLAIM FOR RELIEF

CONVERSION (AGAINST ALL DEFENDANTS)

376. Plaintiff realleges and incorporates each of the above paragraphs 1 – 375, as though fully set forth in this cause of action.

377. In California, “ ‘ “[c]onversion is a strict liability tort,” ’ Financial institutions can be liable to their depositors for transferring money out of their accounts on forged instruments.” *Fong v. East West Bank*, 19 Cal.App.5th 224, 235 (2018) (internal citation omitted).

1 378. Plaintiff owns and has the right to possess the private key(s) for the Bitcoin Wallet(s)
2 hosted by Coinbase for Mr. Dellone, which were or are associated with 2.05698427 bitcoins
3 formerly in Mr. Dellone's Coinbase account.

4 379. The private key(s) and Bitcoin Wallets, and/or the 2.05698427 BTC stolen from Plaintiff,
5 have measurable valuable.

6 380. Defendants were not authorized to obtain, retain, or exercise control, dominion, or
7 ownership over Plaintiff's bitcoins.

8 381. Defendants knowingly obtained, retained, and exercised control and dominion over
9 Plaintiff's 2.05 bitcoins, to Plaintiff's exclusion.

10 382. Defendants intended to permanently deprive Plaintiff of his 2.05 bitcoins.

11 383. Plaintiff has been deprived of the possession and use of his crypto-assets, digital dollars,
12 fiat currency-denominated financial instruments, and the 2.05 BTC representing the sum of those
13 assets, since December 14, 2021.

14 384. Plaintiff has demanded the return of his bitcoins from Coinbase.

15 385. Plaintiff will demand the return of his bitcoins from the appropriate DOES 1-50 when he
16 learns their true identities, or as soon as otherwise practicable.

17 386. Plaintiff has suffered actual injury and damages of compensable value stemming from
18 the conversion of his digital assets and 2.05 BTC, in an amount to be proved at time of trial.

19 **SEVENTH CLAIM FOR RELIEF**

20 **TRESPASS TO CHATTELS (AGAINST DOES 1-50)**

21 387. Plaintiff realleges and incorporates each of the above paragraphs 1 – 386, as though fully
22 set forth in this cause of action.

23 388. On December 14, 2021, DOES 1-50 deprived Plaintiff of the use of his mobile phone for
24 several hours.

25 389. Plaintiff's mobile phone was in his possession when Defendants intentionally interfered
26 with the physical condition of his phone, and with Plaintiff's use of it.

27 390. Defendants interfered with Plaintiff's rights to his personal property by depriving him of
28 his use of his mobile phone, without his permission.

391. Plaintiff did not consent to Defendants' interference with his use of his mobile phone.

392. Plaintiff was harmed by Defendants' interference with his use of his mobile phone.

393. Defendants' interference with Plaintiff's mobile phone and cellular service were substantial factors resulting in Plaintiff's harms.

394. As a proximate and legal result of Defendants' interference with Plaintiff's property and his use of it, Plaintiff has been damaged in an amount according to proof at time of trial.

395. Defendants' respective trespasses to Plaintiff's personal property were each oppressive, fraudulent, or malicious. Accordingly, Defendants are subject to exemplary damages, in favor of Plaintiff.

EIGHTH CLAIM FOR RELIEF

TRESPASS TO CHATTELS (AGAINST COINBASE)

396. Plaintiff realleges and incorporates each of the above paragraphs 1 – 395, as though fully set forth in this cause of action.

397. Plaintiff owned and had a right to possess the crypto-assets associated with his Coinbase account, which Defendants converted into Bitcoin on December 14, 2021.

398. Plaintiff owned and had a right to possess the "Digital Currencies," U.S. Dollars, and "USD Coin" in his Coinbase-issued wallets, which Defendants converted to BTC on December 14, 2021.

399. Coinbase interfered with the physical condition of Plaintiff's crypto-assets, and with his possession of his private keys or Crypto Wallets, by exchanging his crypto-assets for "digital dollars," without Plaintiff's knowledge or express permission.

400. Coinbase intentionally interfered with the physical condition of Plaintiff's U.S. Dollars and USDC, and his possession of those assets, by exchanging those assets for Bitcoin without Plaintiff's knowledge or express permission.

401. Plaintiff was harmed by Coinbase's interferences with his crypto-assets, U.S. Dollars, and USDC, and Coinbase's conversion of those assets to Bitcoin was a substantial factor in causing Plaintiff's harms.

402. Plaintiff did not consent to Coinbase's interference with his possession and use of

1 \$17,100 in “digital dollars,” or with any of the crypto-assets or Wallets he had stored on the
2 Coinbase Platform.

3 403. Plaintiff has been deprived of his possession and his use of his digital dollars and his
4 valuable and priceless crypto-assets for more than a year.

5 404. Coinbase’s conduct has prevented Plaintiff from exercising dominion and ownership
6 over his personal property by interfering with his ability to move his funds and assets off the
7 Coinbase Platform to a more secure location.

8 405. Coinbase’s conduct was a substantial factor in causing Plaintiff’s losses, irreparable
9 harms, and the injuries sustained by Plaintiff.

10 406. As a proximate and legal result of Coinbase’s wrongful interferences, Plaintiff has
11 suffered personal property damages and losses exceeding \$101,000.

12 **NINTH CLAIM FOR RELIEF**

13 **NEGLIGENCE (AGAINST COINBASE)**

14 407. Plaintiff realleges and incorporates each of the above paragraphs 1 – 406, as though fully
15 set forth in this cause of action.

16 408. Coinbase owed a duty to Plaintiff to exercise reasonable care in safeguarding his
17 sensitive personal information. This duty included designing, maintaining, monitoring, and
18 testing Coinbase’s, and its agents’, partners’, Affiliates’, and independent contractors’ systems,
19 protocols, or practices (as applicable), in order to help safeguard Plaintiff’s digital assets and
20 prevent unauthorized transfers on and from the Coinbase Platform.

21 409. Coinbase’s duties arose from the sensitivity of Plaintiff’s Coinbase account data and the
22 foreseeability of harms to Plaintiff should Coinbase fail to safeguard and protect his data.

23 410. Coinbase owed a duty to Plaintiff to take reasonable steps to protect his sensitive
24 customer account information from unauthorized use, access, and disclosure.

25 411. Coinbase had a duty to ensure that Plaintiff’s personally identifiable information (PII)
26 was only used, accessed, and disclosed with Plaintiff’s proper authorized consent.

27 412. Coinbase had a duty to Plaintiff to implement a security system reasonably designed to
28 prevent and detect unauthorized transfers from Plaintiff’s Coinbase account, in a reasonably

1 timely manner, as Coinbase had represented it would, and as was required of Coinbase by the
2 Bank Secrecy Act.

3 413. Coinbase owed a duty to Plaintiff to disclose the material fact that its data security
4 practices were inadequate to prevent Plaintiff's Coinbase account information from being
5 improperly accessed and exfiltrated by unauthorized third-parties, and from misuse and
6 misappropriation of his PII resulting from unauthorized access by Coinbase's employees, agents,
7 Affiliates, and individuals and computer programs subject to Coinbase's control.

8 414. Coinbase owed Plaintiff a duty to adequately disclose its inability to prevent Plaintiff's
9 confidential account information from unauthorized dissemination, as of, and after December
10 14, 2021.

11 415. Coinbase owed a duty to Plaintiff to exercise due care in designing a reasonably secure
12 website and Platform for its customers' use.

13 416. Coinbase owed Plaintiff a duty to safeguard his Coinbase account by employing industry
14 standard cybersecurity measures reasonably designed to protect his digital assets against
15 unauthorized transfers.

16 417. Plaintiff's willingness to contract with Coinbase and entrust his confidential and sensitive
17 data to Coinbase was predicated on his reasonable belief that Coinbase would implement
18 statutorily-recognized electronic fund transfer procedures and customer-authentication protocols
19 required of regulated consumer financial institutions subject to FinCEN regulations.

20 418. Coinbase knew or should have known, in December 2021, that its cybersecurity practices
21 and customer dispute resolution policies, as then implemented, were inadequate for a financial
22 technology company dealing with cryptocurrency and digital P2P financial asset exchanges.

23 419. Coinbase was uniquely positioned to provide material information to Plaintiff regarding
24 the features and quality of Coinbase's cybersecurity, but Coinbase failed to do so.

25 420. On December 14, 2021, Coinbase approved blatantly fraudulent financial transactions
26 and plainly unauthorized account profile-change requests, and changed the email address and
27 phone number associated with Plaintiff's Coinbase account, without Plaintiff's knowledge,
28 consent, or permission, through no fault of Plaintiff.

421. Coinbase's negligence, wanton disregard for Plaintiff's privacy and property, and recklessness with respect to digital asset transfers on and off its Platform, are exemplified by Coinbase's failures to: **(i)** establish adequate user-authentication measures consistent with industry standards, governmental regulations, and its own promises; **(ii)** implement reasonable cybersecurity protocols consistent with industry standards, governmental regulations, and its own internal policies; **(iii)** enforce or follow Coinbase's own purported security procedures, including Coinbase's self-imposed obligation to ensure that a 2FA code is input as a condition precedent to executing transfers of cryptocurrencies from Mr. Dellone's account or Wallets, to another person's Coinbase account or Wallets; **(iv)** properly respond to, address, and monitor customer complaints concerning hackers and scammers targeting Coinbase users for the users' personal and confidential data, despite knowing these issues were prevalent on the Coinbase Platform; **(v)** abide by its own purported security policies, which required the input of a 2FA code sent to a phone number connected to a physical mobile device, before executing any transfer of funds off the Coinbase Platform; and **(vi)** provide the security protections Coinbase promised, before executing irrevocable transfers affecting Plaintiff's Coinbase account.

422. Coinbase, as a custodial Wallet services provider, breached its duties to Plaintiff by failing to: **(vii)** implement and maintain appropriate security procedures necessary to safeguard Plaintiff's Coinbase account and data, including his PII, from unauthorized access and misuse; **(viii)** detect unauthorized account breaches on its Platform in a timely manner; **(ix)** appropriately and timely disclose that Coinbase's data security practices were inadequate to protect Plaintiff's assets; **(x)** adequately supervise its employees and software to prevent improper access to Plaintiff's Coinbase account or unlawful utilization of his account information and data without authorization or current proof of valid user identification; and **(xi)** provide adequate and timely notices of unauthorized access involving Plaintiff's Coinbase account.

423. Coinbase breached its duty to exercise reasonable care in safeguarding Plaintiff's Coinbase account and the digital assets stored therein, by failing to implement reasonable security measures designed to prevent unauthorized SIM Swap attacks, even though such attacks had been widely recognized as likely to result in unauthorized transactions and losses of various

1 digital assets that Coinbase's retail customers, including Plaintiff, entrusted to Coinbase's
2 custody.

3 424. Between December 14, 2021 and December 17, 2021, Coinbase breached its duty to
4 provide Plaintiff a reasonable means to contact an appropriately authorized and sufficiently
5 trained Coinbase employee, representative, or agent, without undue delay.

6 425. Plaintiff's harms, losses, and property damages, as well as the imminent, substantial, and
7 impending harms to his mental health, online privacy, and personal property, have been directly
8 and proximately caused by Coinbase's breaches of its duties to Plaintiff.

9 426. Coinbase's derogations of its legal duties caused Plaintiff to lose his valuable personal
10 information and digital assets, and his control of his Coinbase account, as well as his sensitive
11 and confidential financial information and data accessible from his Coinbase account.

12 427. Coinbase's breaches of its duties to Plaintiff have resulted in reasonably foreseeable
13 damages that were actually and proximately caused by Coinbase's failures to use Plaintiff's data
14 to secure his account and assets, mitigate harms, and avoid irrecoverable losses.

15 428. Plaintiff did not contribute to the insufficient measures Coinbase used to ineffectively
16 safeguard his digital property and privacy rights.

17 429. Plaintiff has been significantly harmed as a legal result of Coinbase's negligent conduct.

18 430. Plaintiff continues to suffer increased risks of future online account compromises and
19 fraud to this day.

20 431. The increased risks of future digital interferences make Plaintiff's expenditure of time
21 and resources aimed at monitoring and mitigating harms to his digital and personal life
22 reasonably necessary.

23 432. Monitoring and mitigation tools exist that make early detection, prevention, and
24 mitigation of future harms to Plaintiff possible and beneficial.

25 433. Plaintiff seeks compensatory damages for the harms he sustained, and for the damages
26 to his property, in an amount sufficient to compensate him for his actual harms and losses, and
27 to restore him to his original position, prior to Coinbase's unauthorized disclosure of his
28 Coinbase account credentials and the breach of his Coinbase account, considering: (a) the

1 difference between the current value of his lost and damaged assets and the value of those assets
2 had the harms not been done; **(b)** the costs of repair or restoration of his property; **(c)** the
3 emotional and potential future harms sustained by Plaintiff; **(d)** Coinbase’s need for and
4 development of an adequate loss mitigation and refund or reimbursement plan, consistent with
5 industry standard online financial business practices, as an element of damages; and **(e)** the
6 actual, consequential, and nominal damages flowing from Coinbase’s negligence, to the extent
7 those damages are the natural and proximate result of Coinbase’ conduct as herein alleged.

8 434. Plaintiff is entitled to compensatory damages, with pre-and post-judgment interest, costs
9 of suit, attorneys’ fees, and other relief as this Court deems just and proper, in an amount to be
10 determined at trial.

11 **TENTH CLAIM FOR RELIEF**

12 **BREACH OF IMPLIED CONTRACT (AGAINST COINBASE)**

13 435. Plaintiff realleges and incorporates each of the above paragraphs 1 – 434, as though fully
14 set forth in this cause of action.

15 436. Plaintiff owned the cryptocurrencies and PII in and associated with his Coinbase account.

16 437. A bailment is the delivery of a thing, to another, for some special object or purpose, on a
17 contract, express or implied, to conform to objects or purposes of the delivery. The California
18 Civil Code refers to bailments as “deposits,” however, case law often employs the common law
19 term, “bailment,” as well as the terms “bailor” and “bailee.” A breach of bailment contract may
20 be asserted by the bailor when the bailee fails to return that which was bailed.

21 438. Plaintiff bailed his digital assets to Coinbase according to a bailment-for-hire agreement
22 on the following terms: **(i)** upon Coinbase’s requests, Plaintiff provides his cyber-identification
23 data, and his Personally Identifiable Information (PII), to Coinbase; **(ii)** Plaintiff allows Coinbase
24 to use his PII and digital assets for business purposes not related to security; **(iii)** Coinbase
25 promises to use Plaintiff’s PII and data for security purposes, including to affirmatively take
26 steps to prevent and reasonably delay irreversible losses of the digital assets Plaintiff bails to, or
27 deposits with Coinbase.

28 439. When Coinbase transferred Plaintiff’s bitcoins to the off-Platform Bitcoin Wallet and

permitted unauthorized changes to his Coinbase account profile data, Coinbase did not exercise the degree of care that an ordinarily prudent bailee, or an ordinarily prudent custodial Wallet service provider in Coinbase's position, would exercise with respect to its own digital assets.

440. Plaintiff has demanded that Coinbase return his digital assets to him. Coinbase has not returned Plaintiff's digital assets, or any portions thereof, to Plaintiff, nor has Coinbase allowed Plaintiff to access his assets (to the extent still possible), thereby breaching the terms of Coinbase's and Plaintiff's implied bailment contract.

441. As a proximate result of Coinbase's breach, Plaintiff has suffered economic loss in an amount to be proved but no less than 2.05698427 BTC, plus the reasonable or fair market value of all Plaintiff's data collected by Coinbase and its Affiliates as a result of the implied contract.

ELEVENTH CLAIM FOR RELIEF

BREACH OF GOOD FAITH AND FAIR DEALING (AGAINST COINBASE)

442. Plaintiff realleges and incorporates each of the above paragraphs 1 – 441, as though fully set forth in this cause of action.

443. In or around December 6, 2021, the Parties entered into a contract with implied provisions. The terms of the contract were found in Sections 5, 10, and 11 of Coinbase's Privacy Policy, and Section 2.6.2 of the User Agreement. Attached hereto and incorporated herein as Exhibit A is a true and correct copy of the User Agreement, including Coinbase's Privacy Policy.

444. Coinbase stated that it collects confidential and private cyber-identification data about Plaintiff to recognize him and maintain information about his access devices, in order to mitigate risk, help prevent fraud, and promote trust and safety on the Coinbase Platform.

445. Plaintiff agreed to provide Coinbase with his sensitive, personal, financial, and confidential data, including his PII, because Coinbase agreed to monitor and take reasonable steps secure Plaintiff's Coinbase account using the data Coinbase collected from and about Plaintiff, as well as take actions including but not limited to implementing effectively-enforced waiting periods on his Coinbase account if, or in the event that highly-suspicious account activity occurs on his Coinbase account.

446. Coinbase breached its contractual obligations to Plaintiff by misusing the data it collected

from and about Plaintiff, and by failing to utilize said data to detect and make the proportionally-necessary efforts required to prevent SIM Swap attacks and related fraud on Plaintiff's Coinbase account.

447. Coinbase breached the contractual obligations it owed Plaintiff by failing to use the data it collected from and about Plaintiff to mitigate the harms and losses caused by reasonably detectable fraud on the Coinbase Platform, including fraud accomplished by exploitations of well-known attack vectors persistently left open for multiple years on the Coinbase Platform, which Coinbase was exclusively or best positioned to address and prevent.

448. Plaintiff has performed all covenants and conditions required by the implied provisions of the contract, or has been excused from doing so by Coinbase's breach.

449. As a proximate result of Coinbase's breach, Plaintiff has suffered economic loss.

450. Coinbase's breach has resulted in damages sustained by Plaintiff in an amount exceeding \$210,000, plus additional amounts according to proof at trial.

TWELFTH CLAIM FOR RELIEF

INTENTIONAL MISREPRESENTATION (AGAINST COINBASE)

[As An Alternative To Breach Of Good Faith And Fair Dealing]

451. Plaintiff realleges and incorporates each of the above paragraphs 1 – 450, as though fully set forth in this cause of action.

452. On December 6, 2021, and at various times from October 2013 to December 14, 2021, Coinbase intentionally represented to Plaintiff that Coinbase would make available to Plaintiff a reasonable means for him to prevent, delay, and recover assets lost or adversely impacted as a result of Coinbase's improper authorization and facilitation fraudulent financial transactions on Plaintiff's Coinbase account.

453. Coinbase knew its representations—including those representations found in Sections 5, 10, and 11 of Coinbase's Privacy Policy; in Coinbase's Cookie Policy (concerning its use of Flash Cookies); on Coinbase's website (concerning its compliance with AML/KYC regulations); and in Coinbase's email correspondence with Plaintiff (concerning Plaintiff's liability for unauthorized transactions)—were false when Coinbase made those representations.

1 454. In some instances, Coinbase made its representations, intentionally, for the purpose of
2 deceiving Plaintiff, or to actively conceal information from Plaintiff, as herein alleged.

3 455. To the extent Coinbase made its misrepresentations inadvertently or unintentionally,
4 Coinbase did do with reckless disregard for the truth.

5 456. As a result of Plaintiff's reliance on Coinbase's intentional misrepresentations, Plaintiff
6 became exceptionally vulnerable to financially devastating cyber-attacks that were reasonably
7 foreseeable to, and preventable exclusively by Coinbase.

8 457. Plaintiff's reliance on Coinbase's intentional misrepresentations was a substantial factor
9 in causing Plaintiff's harms.

10 458. Plaintiff was harmed by his reliance on Coinbase's misrepresentations, in an amount to
11 be proved at time of trial, but in any event, in an amount exceeding Plaintiff's investigation fees
12 and costs, attorney's fees, and costs of this suit.

13 459. Plaintiff is entitled to punitive damages under California Civil Code § 3294(a) because
14 Coinbase made its representations with fraud, oppression, or malice.

15 **THIRTEENTH CLAIM FOR RELIEF**

16 **GROSS NEGLIGENCE (AGAINST COINBASE)**

17 460. Plaintiff realleges and incorporates each of the above paragraphs 1 – 459, as though fully
18 set forth in this cause of action.

19 461. Coinbase owed a duty to Plaintiff, as a Coinbase customer, to provide security consistent
20 with applicable laws, regulations, its own internal policies, and the promises Coinbase made to
21 Plaintiff. This duty required Coinbase to ensure that its computer systems, software, and its
22 personnel, are programmed or adequately trained to take actions necessary to protect the
23 financial information of Coinbase's users, and avoid assisting in unlawful exploitations of its
24 customers' data. This duty also required Coinbase to take reasonable, common-sense steps to
25 ensure Plaintiff's Coinbase account profile data would not be continuously exposed to the public
26 in unencrypted, plain-text form.

27 462. Coinbase owed a special duty of care to Plaintiff because Plaintiff was a retail consumer
28 customer of Coinbase for over eight years, and on that basis, he was a reasonably foreseeable

1 and likely target for bad actors engaged in, or seeking to carry out SIM Swap attacks using the
2 data Coinbase collected and leaked to the public.

3 463. Coinbase owed a special duty to Plaintiff to take reasonable steps to actively detect and
4 prevent SIM Swap attacks targeting consumer financial accounts with up to \$250,000 in assets
5 hosted by Coinbase on the Coinbase Platform. This duty arose from Coinbase's unique position
6 as a regulated and insured consumer financial account provider and digital asset custodian.

7 464. Plaintiff reasonably believed and relied upon Coinbase's representations that Coinbase
8 securely locks its customers' accounts whenever potentially fraudulent or suspicious behavior is
9 reported or detected on a Coinbase customer's account.

10 465. Plaintiff reasonably believed and relied upon Coinbase's representations that Coinbase
11 requires sufficient proof of customer identification prior to approving and facilitating critical
12 account actions and irreversible transfers initiated or requested on a Coinbase customer account
13 by one or more previously-unauthorized devices.

14 466. Given the procession of increasingly common and consistently devastating SIM Swap
15 attacks on many Coinbase customers over a period of several years, Coinbase was acutely aware
16 and should have reasonably foreseen that the cyber and operational security it was providing for
17 its customers between January 1, 2021 and December 14, 2021, was likely to expose Plaintiff,
18 its unsuspecting and longstanding retail consumer customer, to significantly greater risk of
19 becoming targeted and victimized by a SIM Swap activity.

20 467. Between 2013 and 2022, Coinbase users' accounts were subject to hundreds, if not
21 thousands of unauthorized SIM Swap attacks, which Coinbase failed to prevent, and which have
22 resulted in countless retail consumers losing vast amounts of valuable digital assets, including,
23 as here, tens of thousands of dollars' worth of long-term investment assets and digital
24 heirlooms—notably, Plaintiff's 0.5 BTC, which Plaintiff had been saving for nearly decade, and
25 which he had intended, one day (likely decades from now), to pass down to his children. This
26 duty arose from Coinbase's recognition that many of its customers use their Coinbase accounts
27 to store and secure digital assets—including non-fungible assets—that, in some instances, may
28 be priceless to Coinbase's customers and/or have significant personal value, independent of the

1 fair market value of those assets.

2 468. Coinbase owed a special duty to Plaintiff to actively stop and address SIM Swap attacks
3 involving consumer financial accounts hosted by Coinbase on the Coinbase Platform.

4 469. Coinbase recklessly destroyed eight-years' worth of Plaintiff's hard-earned savings and
5 all of his financially and sentimentally valuable crypto-assets, within a span of mere hours; then
6 Coinbase insistently blamed the devastation on Plaintiff, in a repulsive and audacious effort to
7 avoid all accountability for Coinbase's own egregiously wrongful conduct.

8 470. Coinbase breached its special duties of care to Plaintiff by deliberately determining that
9 the economic risk of admitting any responsibility for the fraud on Plaintiff's account was not
10 outweighed by the economic harm of disgorging transaction revenues it had recognized in its
11 first year as a publicly-traded company.

12 471. As a direct and proximate result of Coinbase's grossly negligent conduct—including
13 Coinbase's false statements that Plaintiff owes Coinbase "reimbursement" monies to
14 compensate Coinbase for its own senseless neglect and wanton misrepresentations—Plaintiff
15 has suffered injury and is entitled to punitive damages, in an amount to be proved at time of trial.

16 **FOURTEENTH CLAIM FOR RELIEF**

17 **CALIFORNIA CONSUMER LEGAL REMEDIES ACT ("CLRA") – UNFAIR AND**
18 **DECEPTIVE PRACTICES, CAL. CIV.CODE §§ 1770, ET SEQ.**

19 **(AGAINST COINBASE)**

20 472. Plaintiff realleges and incorporates each of the above paragraphs 1 – 471, as though fully
21 set forth in this cause of action.

22 473. The California Civil Code section 1750, *et seq.*, also known as the Consumers Legal
23 Remedies Act ("CLRA"), prohibits various "unfair methods of competition and unfair or
24 deceptive acts or practices undertaken by any person in a transaction intended to result or which
25 results in the sale or lease of goods or services to any consumer."

26 474. Plaintiff sought and acquired services from Coinbase for his personal, family and
27 household purposes.

28 475. As a Coinbase customer, Plaintiff engaged in transactions with Coinbase concerning

services related to the security and custodianship of his private keys.

476. Coinbase’s actions, as alleged above, either violated, or continue to violate the CLRA, including: section 1770(a)(5), for making representations that its services have characteristics, uses, or benefits which they do not; section 1770(a)(7), for making representations that its services are of a particular quality, which they are not; and section 1770(a)(9), for advertising services with intent not to sell them as advertised. Plaintiff has been harmed by, and as a direct consequence of Coinbase’s violations of the CLRA.

477. Coinbase’s acts and practices were intended to result in the sale of services, including services involving Coinbase’s processing of valuable data Coinbase claimed to require as a condition precedent to facilitating transactions on Mr. Dellone’s Coinbase account.

478. Regarding Coinbase’s use of the data it collected from and about its retail customers, Coinbase specifically made the following representations, in violation of section 1770(a)(5): Coinbase claimed it used Cookies “to recognize” its customers and “to collect information about your [the Coinbase customer’s] computer or other access device *to mitigate risk, help prevent fraud, and promote trust and safety.*” User Agreement, Exhibit A at p. 29 (emphasis added); and Coinbase stated that it engages in the “monitoring of IP addresses” as part of what it believes is a “reasonable risk-based program” aimed at complying with Anti-Money Laundering and Know Your Customer regulations.

479. In violation of section 1770(a)(5), Coinbase represented that its custodial services included reasonable, competent customer support services, including adequately trained and sufficiently authorized live agents who can respond to urgent customer phone calls and take necessary actions involving Coinbase customer accounts. Coinbase did not, in fact, provide services with those characteristics and benefits.

480. In violation of section 1770(a)(7), Coinbase represented that USD Coins, which are not legal tender, are superior to or essentially the same as US Dollars.

481. Coinbase also made the following statements, in violation of section 1770(a)(7), which indicate that Coinbase’s cybersecurity was of a particular quality, which it was not: Coinbase claimed that no customer assets had ever been lost due to a breach of the Coinbase Platform; and

Coinbase represented that VOIP numbers are not allowed on the Coinbase Platform for use with Coinbase accounts.

482. When Coinbase made these statements, Coinbase knew that it was collecting IP addresses, device IDs, and PII, and was installing Cookies, Flash Cookies, and Web Beacons on Plaintiff's devices, and was collecting and profiting from the resulting information, primarily for purposes *not* related to security.

483. In violation of section 1770(a)(9), Coinbase advertised, without the intent to sell its services, as including a means by which its customers can resolve their "disputes" with Coinbase, including disputes concerning fraudulent financial transactions (*e.g.*, refunded bank transactions) in a fair and reasonably timely manner.

484. In violation of section 1770(a)(9), Coinbase advertised, without the intent to sell its services, as including a means by which Coinbase customers can limit their liability for unauthorized transactions and stolen cryptocurrencies, by timely reporting the unauthorized transactions to Coinbase.

485. Coinbase's representations concerning the safeguards it employs to protect consumer financial accounts, and concerning its willingness to fully participate in the dispute resolution processes, are likely to mislead reasonable consumers.

486. Plaintiff seeks equitable relief, pursuant to Cal. Civ. Code § 1782(a)(2), in the form of an injunction prohibiting Coinbase, individually and through its agents, servants, employees, and all persons acting under, in concert with, or at the direction of Coinbase, from continuing to collect customer cyber-identification data that Coinbase does not use to help Coinbase detect fraud, prevent theft and money laundering, or timely address and resolve issues concerning foreseeable Platform breaches, including breaches of accounts hosted on the Coinbase Platform.

487. Plaintiff seeks equitable relief, pursuant to Cal. Civ. Code § 1782(a)(2), in the form of an injunction prohibiting Coinbase from continuing to circulate both USD and USDC on its Platform simultaneously, as doing so constitutes a deceptive act or practice undertaken by Coinbase in transactions with its consumers, which are intended to result, and have resulted, in the sale or lease of goods (USDC) or services (custodial services) to Mr. Dellone (a consumer).

488. Plaintiff seeks equitable relief, pursuant to Cal. Civ. Code § 1782(a)(2), in the form of an injunction prohibiting Coinbase from continuing to allow VOIP numbers on its Platform; or in the form of an order instructing Coinbase to take steps reasonably necessary to account for the risks presented by undetected VOIP numbers used as “credentials” on its Platform.

489. Plaintiff seeks equitable relief, pursuant to Cal. Civ. Code § 1782(a)(2), in the form of an injunction prohibiting Coinbase from continuing to make public statements indicating that no customer assets have ever been lost due to breach of the Coinbase Platform.

490. Plaintiff requests restitution in the amount of his stolen property, plus court costs and attorney’s fees, punitive damages, and any other relief this Court deems just and proper in accordance with Cal. Civ. Code § 1780(a).

FIFTEENTH CLAIM FOR RELIEF

CALIFORNIA UNFAIR COMPETITION LAW (“UCL”), BUSINESS & PROFESSIONAL CODE § 17200 ET SEQ. – UNFAIR BUSINESS PRACTICE (AGAINST COINBASE)

491. Plaintiff realleges and incorporates each of the above paragraphs 1 – 490, as though fully set forth in this cause of action.

492. California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.* (“UCL”) prohibits “any unlawful, unfair or fraudulent business act or practice.”

493. A business act is “unfair” where it is immoral, unethical, oppressive, unscrupulous, unconscionable, and/or substantially injurious, contrary to legislatively declared public policy, and the harm it caused to consumers outweighed its utility.

494. Coinbase is a “person” as defined by Cal. Bus. & Prof Code § 17200.

495. Coinbase’s conduct, as alleged in this Complaint, was unfair under the UCL.

496. Coinbase’s “unfair” acts and practices include Coinbase’s collection of transaction revenue and Coinbase’s misleading statements made to Plaintiff, despite Coinbase’s: (i) failure to implement and maintain security measures reasonably designed to protect Plaintiff’s financial and cyber-identification data from consecutive and substantial unauthorized disclosures, data breaches, interferences, and conversions; (ii) failure to identify foreseeable cybersecurity risks,

namely SIM Swap attacks, and remediate data leaks and security flaws identified by Coinbase and Coinbase customers following numerous security incidents experienced by Coinbase, resulting from SIM Swap attacks; **(iii)** failure to implement and maintain reasonable security measures, contrary to legislatively-declared public policy that seeks to protect consumer data and ensure entities entrusted with such sensitive financial and personal information use appropriate, statutorily described security measures—these public policies are reflected in the FTC Act (15 U.S.C. § 45), the CCPA (Cal. Civ. Code §§ 1798.100 et seq.), the Bank Secrecy Act, (31 U.S.C. § 5311), and the California Customer Records Act (Cal. Civ. Code §§ 1798.80, et seq.) (which requires businesses to ensure that personal information about California residents is protected); and **(iv)** failure to implement and enforce reasonable online account breach response procedures that are not substantially injurious to its consumers.

497. Coinbase’s acts, as alleged above, have caused substantial injuries to Plaintiff, and to similarly situated Coinbase customers, in a manner that does not outweigh any countervailing benefits to California consumers or emerging financial sector competition.

498. In the course of conducting its business, Coinbase also engaged in “unfair” business acts and practices within the meaning of the UCL, by: **(v)** improperly and unreasonably preventing Plaintiff from accessing his Coinbase account and funds, either for extended periods of time or permanently; **(vi)** failing to timely respond to Plaintiff’s requests for appropriate customer support, despite promising to do so; **(vii)** failing to preserve and safeguard customer funds, including Plaintiff’s funds, as Coinbase had specifically represented it would; and **(viii)** refusing to compensate its customers, including Plaintiff, for harms caused by Coinbase’s egregious misconduct and for monetary losses caused by Coinbase’s own wrongful conduct.

499. Electronic fund transfers from users’ Coinbase accounts are virtually instant on the Coinbase Platform; therefore, when there is an account breach on the Coinbase Platform, the breaching persons may obtain unfettered access to a Coinbase users’ digital assets and funds for as long as the customer does not receive actual or constructive notice of the breach.

500. Coinbase did not implement a reasonable means to protect against, and provide adequate and timely notice of instances of unauthorized asset exfiltration relating to unnoticed and/or

1 software-assisted breaches on its Platform that can occur and had occurred while its customers
2 were sleeping or otherwise physically unable to receive or respond to said breaches.

3 501. Coinbase did not institute a waiting-time requirement for highly-suspicious, irreversible
4 transfers of assets from or off the Coinbase Platform, even though other custodial cryptocurrency
5 exchanges enforce a waiting period for such transfers.

6 502. Because many consumers lack critical knowledge concerning Coinbase's inadequate
7 cybersecurity practices, consumers, including Plaintiff, have been obstructed by Coinbase from
8 making reasonably informed decisions regarding how to effectively minimize risks of losing
9 property and funds, and how they (customers) can take steps to address harms like those
10 sustained by Plaintiff.

11 503. As a result of Coinbase's unfair business acts and practices, Plaintiff is entitled to relief,
12 including restitution, and declaratory relief and/or a permanent injunction enjoining Coinbase
13 from continuing its unfair practices, along with reasonable attorneys' fees and costs.

14 504. Plaintiff seeks equitable relief in the form of an order by this Court instructing
15 Coinbase to disclose the dollar amount and the percentage (as a fraction of all revenue) of
16 Coinbase's "transaction revenue," reported by Coinbase in the years 2021, 2022, and 2023,
17 which was or may have been connected to SIM Swap attacks.

18 **SIXTEENTH CLAIM FOR RELIEF**

19 **CALIFORNIA UNFAIR COMPETITION LAW ("UCL"), BUSINESS &**
20 **PROFESSIONAL CODE § 17200 ET SEQ. – UNLAWFUL BUSINESS PRACTICE**
21 **(AGAINST COINBASE)**

22 505. Plaintiff realleges and incorporates each of the above paragraphs 1 – 504, as though fully
23 set forth in this cause of action.

24 506. California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 ("UCL") prohibits
25 "any unlawful, unfair or fraudulent business act or practice."

26 507. A business act or practice is "unlawful" when it is proscribed by some other statute,
27 regulation or constitutional provision.

28 508. Coinbase is a "person" as defined by Cal. Bus. & Prof Code § 17200.

509. Coinbase engaged in proscribed business acts or practices that required Coinbase to adhere to federal and state laws, including: the FTC Act (15 U.S.C. § 45), the California Customer Records Act (Cal. Civ. Code §§ 1798.80, et seq.), California Penal Code § 496, the CCPA (Cal. Civ. Code §§ 1798.100 et seq.), the Stamp Payments Act of 1862 (18 U.S.C. § 336), the Bank Secrecy Act, (31 U.S.C. § 5311), and the Securities Exchange Act of 1934 (15 U.S.C. § 78c).

510. The Stamp Payments Act of 1862, 18 U.S.C. § 336, reads:

Whoever makes, issues, circulates, or pays out any note, check, memorandum, token, or other obligation for a less sum than \$1, intended to circulate as money or to be received or used in lieu of lawful money of the United States, shall be fined under this title or imprisoned not more than six months, or both.

511. Coinbase makes, issues, pays out, and circulates USDC for sums less than \$1.00, in violation of the Stamp Payments Act of 1862 (18 U.S.C. § 336).

512. In violation of the Bank Secrecy Act, Coinbase failed to take the necessary steps to implement and enforce risk-based security and user-authentication measures.

513. Coinbase had exclusive knowledge of material facts related to the fraudulent activity on Plaintiff's Coinbase account, and Coinbase maintains records that are highly relevant to the recovery of Plaintiff's property. Coinbase has withheld and prevented Plaintiff from obtaining pertinent, accurate, and complete records and information, for over a year.

514. Coinbase failed to hire, train, and supervise its staff, employees, and Coinbase's "Affiliates," which has resulted in Coinbase's violations of the CCPA (Cal. Civ. Code §§ 1798.100 et seq.).

515. According to Section 5(a) of the FTC Act, 15 U.S.C. §45(a), "Unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful."

516. Coinbase violated the FTC Act by issuing, circulating, and paying out digital currency deceptively branded as "U.S. Dollar Coin."

517. Coinbase's circulation of "USDC," is an unfair method affecting commerce because

Coinbase has tens of thousands of customers across the United States and around the world, and Coinbase has explicitly promoted USDC as a superior or alternative form of the U.S. dollar, which fundamentally challenges the integrity and value of government-backed legal tender.

518. By failing to provide adequate notice of its failures to safeguard its customers' usernames, phone numbers, email addresses, and Coinbase-account access tokens, Coinbase violated California's Shine the Light Law (see Cal. Civ. Code § 1798.81.5).

519. As a direct and proximate result of Coinbase's unlawful business acts and practices, Plaintiff has suffered injury, including losses of digital dollars, crypto-assets, and other digital currencies, his cyber-identification data, and his confidential consumer financial information.

520. Plaintiff seeks declaratory or injunctive relief in the form of an order by this Court enjoining Coinbase from continuing to issue and circulate USDC and U.S. dollars, simultaneously, on its Platform.

521. Under Federal Rule of Civil Procedure 23 and California Code of Civil Procedure § 1021.5, Plaintiff is entitled to relief, including attorneys' fees and costs, and restitution.

SEVENTEENTH CLAIM FOR RELIEF

UNJUST ENRICHMENT (AGAINST COINBASE)

522. Plaintiff realleges and incorporates each of the above paragraphs 1 – 521, as though fully set forth in this cause of action.

523. Plaintiff paid Coinbase over two thousand dollars (\$2,000) in transaction fees from October 2013 to the present, which, on information and belief, represent half the transaction fee revenue Coinbase collected on the transactions involving his account.

524. Plaintiff conferred a direct benefit upon Coinbase when he deposited and stored his funds and digital assets on the Coinbase Platform.

525. The funds and assets in Plaintiff's Coinbase account allowed Coinbase to generate revenue from investing, trading, selling, buying, loaning, or otherwise exchanging Plaintiff's funds and assets with third-parties, and with Coinbase's "Affiliates."

526. Plaintiff conferred direct benefits upon Coinbase when he provided Coinbase with his private and sensitive digital data, including but not limited to his financial information and PII.

1 527. Over an eight-year period, Plaintiff directly conferred benefits upon Coinbase by
2 providing fees and data to Coinbase, in exchange for Coinbase maintaining and providing
3 Plaintiff access to, and conducting electronic fund transfers on his Coinbase account.

4 528. Coinbase has unjustly restricted Plaintiff's access to, and has failed to conduct secure
5 transactions on, his Coinbase account.

6 529. Coinbase knew of the benefits Plaintiff conferred upon it, and Coinbase has unjustly
7 retained those benefits, and has enriched itself by its deceitful conduct, at Plaintiff's expense.
8 Coinbase, for example, promised Plaintiff that it would take reasonable efforts to protect
9 Plaintiff's data, but instead, Coinbase collected thousands of dollars in transaction fees from
10 facilitating indisputably unauthorized transactions on Plaintiff's Coinbase account.

11 530. Coinbase has been unjustly enriched by its misappropriation of Plaintiff's transaction
12 fees and his digital account data, and as a direct result, Coinbase has received and retained
13 benefits that it would not have received, but for its wrongful conduct.

14 531. The circumstances under which Plaintiff conferred and Coinbase accepted the benefits
15 Plaintiff provided, render Coinbase's retention of the benefits inequitable.

16 532. Coinbase was unjustly enriched by its circulation of USDC tokens and Security Tokens
17 on Coinbase's Platform, which conferred a direct benefit upon Coinbase, as Coinbase traded and
18 leveraged those assets for several years, while ignoring and failing to comply with applicable
19 statutes, regulations, and consumer protection laws.

20 533. Coinbase deceived Plaintiff, causing him to into assume unnecessary risks inherent in
21 trading or investing in USDC and Security Tokens on the Coinbase Platform, which were
22 unknowable to Plaintiff before December 14, 2021.

23 534. Plaintiff conferred a direct benefit upon Coinbase by providing Coinbase fees and data
24 over an eight-year period, which, beginning in April 2021, Coinbase used exclusively for
25 purposes other than safeguarding Plaintiff's Coinbase account and assets.

26 535. Plaintiff has been harmed by Coinbase's sale and exploitation of Plaintiff's PII and cyber-
27 identification data, and by the fraudulent cryptocurrency and money transactions Coinbase
28 effectuated using Plaintiff's confidential information and data.

536. Under principles of equity and good conscience, Coinbase should not be permitted to retain the fees Coinbase collected on transactions initiated using Plaintiff's Coinbase account, from October 2013 to the present.

537. Equity requires that Coinbase return to Plaintiff the benefits he conferred upon Coinbase.

538. Plaintiff respectfully requests an order from this Court instructing Coinbase to disgorge the fees and rewards, including Security Token staking rewards, Coinbase has collected from transactions involving Plaintiff's Coinbase account, which Coinbase has inequitably retained, as well as the reasonable USD value of the revenues Coinbase collected from exploiting Plaintiff's data, from October 2013 to the present.

539. Punitive damages are appropriate under this cause of action because Coinbase knew, or should have known about the security vulnerabilities in its products and services—*i.e.*, those that directly caused Plaintiff's Coinbase account to be drained—and Coinbase willfully disregarded those extreme yet preventable risks for its own exclusive economic and reputational benefit.

EIGHTEENTH CLAIM FOR RELIEF

DECLARATORY JUDGMENT – VOID AND UNCONSCIONABLE (USER AGREEMENT)

540. Plaintiff realleges and incorporates each of the above paragraphs 1 – 539, as though fully set forth in this cause of action.

541. Plaintiff brings this claim for declaratory relief under 28 U.S.C. § 2201, to have this Court declare the User Agreement (Coinbase's User Agreement, dated December 6, 2021, attached hereto as "Exhibit A") unconscionable, void against public policy, and unenforceable in its entirety.

542. Coinbase's employees and agents have cited to the User Agreement, on multiple occasions, in support of: patently false statements related to Coinbase's purported contractual duties to Plaintiff; Coinbase's liability for fraud and unauthorized transactions on Plaintiff's Coinbase account, which Plaintiff timely reported to Coinbase; and the manner in which Coinbase responds to suspicious activity on the Coinbase Platform.

543. Coinbase drafted the User Agreement.

1 544. Plaintiff never had an opportunity to negotiate any term of the User Agreement.

2 545. The User Agreement is a standard contract of adhesion, which was presented by Coinbase
3 to Plaintiff on a strictly take-it-or-leave-it basis.

4 546. Coinbase had virtually unchecked authority to insist upon any term its legal department
5 could devise, regardless of whether Plaintiff or any of its customers were aware of those terms.

6 547. Coinbase is a multi-billion-dollar, publicly-traded financial technology company
7 comprising and supported by an army of attorneys, software engineers, and “support team”
8 employees.

9 548. Plaintiff is an individual consumer with virtually no bargaining power relative to
10 Coinbase.

11 549. The disparity in bargaining power between Coinbase and its customers is stark, and is
12 significant to Plaintiff’s and Coinbase’s respective rights in equity and at law.

13 550. The User Agreement is procedurally unconscionable because it imposes onerous, unfair,
14 and unusual burdens on Plaintiff.

15 551. The procedural unconscionability of the User Agreement is expressly incorporated in the
16 User Agreement’s “Delegation Clause,” which allegedly affords Coinbase exclusive authority
17 to “decides who decides” disputes raised by its customers.

18 552. The Delegation Clause is found in Paragraph 8.2 of the User Agreement, and it reads:

19 If you have a dispute with Coinbase (a “Complaint”), you agree to contact Coinbase
20 through our support team to attempt to resolve any such dispute amicably. If we cannot
21 resolve the dispute through the Coinbase support team, you and we agree to use the
22 Formal Complaint Process set forth below. *You agree to use this process before filing*
23 *any arbitration claim or small claims action.* If you do not follow the procedures set out
24 in this Section before filing an arbitration claim or suit in small claims court, we shall
25 have the right to ask the arbitrator or small claims court to dismiss your filing unless and
26 until you complete the following steps.

27 (Emphasis added).

28 553. The Delegation Clause refers only to disputes raised by Coinbase customers (*e.g.*, “If you

[Plaintiff] have a dispute,” “You agree to use this process”). The Delegation Clause does not reference disputes raised by Coinbase. Accordingly, the Delegation Clause unfairly restricts Plaintiff’s, and not Coinbase’s, right to seek redress for harms and losses sustained during or as a result of Plaintiff’s and Coinbase’s relationship.

554. The Delegation Clause also grants Coinbase an exclusive right to seek dismissal of claims filed by its customers against Coinbase, but not vice versa (*i.e.*, “If you [Plaintiff] do not follow the procedures set out in this Section,” “we [Coinbase] shall have the right to ask the arbitrator or small claims court to dismiss your filing unless and until you complete the following steps.”).

555. The Delegation Clause forces Coinbase customers to overcome a gauntlet of time-consuming fool’s errands devised by Coinbase, which, among other trivial and frustrating exercises, include initiating, and waiting until the conclusion of the one-sided “Formal Complaint Process.”

556. According to the Delegation Clause, the authority to decide whether a customer pursuing claims against Coinbase has complied with the terms of the User Agreement, rests solely with Coinbase.

557. The User Agreement is unenforceable because the Delegation Clause affords Coinbase, but not Plaintiff, the exclusive right to decide whether Plaintiff has satisfied or complied with the conditions precedent to arbitrating Plaintiff’s claims.

558. The Delegation Clause indicates that the Formal Complaint Process can only be initiated by Coinbase’s customers, not by Coinbase.

559. Unlike Coinbase customers, Coinbase has no “Formal Complaint Process” that it must initiate in the event a dispute arises.

560. The User Agreement’s “Arbitration Provision” refers only to disputes that cannot be resolved by Coinbase through the Formal Complaint Process.

561. In pertinent part, the Arbitration Provision reads:

8.3. Arbitration; Waiver of Class Action. If we [Coinbase] cannot resolve the dispute through the Formal Complaint Process, you and we [the Parties] agree that any dispute arising out of or relating to this Agreement or the Coinbase Services,

including, without limitation, federal and state statutory claims, common law claims, and those based in contract, tort, fraud, misrepresentation, or any other legal theory, shall be resolved through binding arbitration, on an individual basis (the “Arbitration Agreement”).

(Bold in original; underlines added).

562. A plain reading of the User Agreement indicates that the Arbitration Provision applies only to claims that Coinbase customers assert against Coinbase, and not the other way around. Accordingly, the Arbitration Provision does not apply to claims Coinbase might pursue against its customers, as those claims can be resolved absent the Formal Complaint Process entirely.

563. The Delegation Clause and the Arbitration Provision are inextricable, which renders the Arbitration Provision, and the User Agreement in its entirety, unenforceable as against Plaintiff.

564. The Arbitration Provision is unfair, lacks mutuality, and is void for unconscionability.

565. Enforcement of the Arbitration Provision would unjustly require that Plaintiff forego seeking the full range of statutory remedies for Coinbase’s fraud and negligence, including punitive damages and attorney fees, which are available to Plaintiff under his claims herein alleged, and which Plaintiff would otherwise be entitled to receive, should he prevail.

566. The exculpatory provision in Paragraph 9.3 of the User Agreement (“Exculpatory Provision”) contains numerous provisions that are contrary to public policy. These provisions exempt Coinbase from responsibility for its own gross negligence, fraud, and violations of statutory law.

567. In pertinent part, the Exculpatory Provision reads:

IN NO EVENT SHALL COINBASE, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES, BE LIABLE (A) FOR ANY AMOUNT GREATER THAN THE VALUE OF THE SUPPORTED DIGITAL CURRENCY ON DEPOSIT IN YOUR COINBASE ACCOUNT(S) OR (B) FOR ANY LOST PROFITS, DIMINUTION IN VALUE OR BUSINESS OPPORTUNITY, ANY LOSS, DAMAGE, CORRUPTION OR BREACH OF DATA OR ANY OTHER

INTANGIBLE PROPERTY OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COINBASE SITE OR THE COINBASE SERVICES, OR THIS AGREEMENT, EVEN IF AN AUTHORIZED REPRESENTATIVE OF COINBASE HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE, EXCEPT TO THE EXTENT OF A FINAL JUDICIAL DETERMINATION THAT SUCH DAMAGES WERE A RESULT OF COINBASE’S GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR INTENTIONAL VIOLATION OF LAW. THIS MEANS [. . .] THAT YOU MAY NOT RECOVER FOR LOST PROFITS, LOST BUSINESS OPPORTUNITIES, DIMINUTION IN VALUE OR OTHER TYPES OF SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES IN EXCESS OF THE VALUE OF THE SUPPORTED DIGITAL CURRENCY AT ISSUE IN THE TRANSACTION.

568. The Exculpatory Provision renders the entire User Agreement unenforceable on public policy grounds because it would exempt Coinbase from any damages resulting from its willful misconduct, including statutory violations and Coinbase’s gross negligence, fraud, and specific violations of the EFTA, Regulation E, and the CFAA.

569. The indemnity provision in Paragraph 9.2 of the User Agreement (the “Indemnity”) requires that Plaintiff hold Coinbase harmless for Coinbase’s negligence, deliberate misbehavior, gross negligence, statutory violations (including willful disclosure of confidential and sensitive personal information), and fraud, so long as the conduct is “in any way connected with” any dispute arising out of “any and all claims, demands and damages . . . of every kind and nature” that a Coinbase customer might have with any other users of its Platform, including

DOES 1-50.

570. The Indemnity reads:

If you have a dispute with one or more users of the Coinbase Services, you release Coinbase, its affiliates and service providers, and each of their respective officers, directors, agents, joint venturers, employees and representatives from any and all claims, demands and damages (actual and consequential) of every kind and nature arising out of or in any way connected with such disputes. You agree to indemnify and hold Coinbase, its affiliates and Service Providers, and each of its or their respective officers, directors, agents, joint venturers, employees and representatives, harmless from any claim or demand (including attorneys' fees and any fines, fees or penalties imposed by any regulatory authority) arising out of or related to your breach of this Agreement or your violation of any law, rule or regulation, or the rights of any third party.

571. Coinbase is the largest cryptocurrency exchange company in the United States, yet the Indemnity purportedly exempts Coinbase from liability for all damages, including damages arising from its own deliberate, grossly negligent, and fraudulent acts, as well as for any unlawful acts of DOES 1-50.

572. The allocation of risk among Plaintiff and Coinbase, as set out in the Indemnity, is objectively unreasonable.

573. In a contract of adhesion, when the indemnity provision defeats the entire purpose of the contract by making it impossible for a consumer to bring claims against the company for the entire range of statutory rights to which the consumer is entitled, the entire agreement is rendered unconscionable and unenforceable on its face.

574. The User Agreement is a contract of adhesion. The Indemnity defeats the entire purpose of the contract by making it impossible for Plaintiff to bring claims against Coinbase for the entire range of statutory rights to which Plaintiff is entitled. The User Agreement is, therefore, unconscionable and unenforceable on its face.

575. The User Agreement, including the Exculpatory Provision, Damages Restriction, Indemnity, and Arbitration Provision, is unenforceable in its entirety, and is unconscionable, and

void against public policy, as it unfairly obstructs and seeks to prevent Coinbase’s consumer customers, specifically Plaintiff, from seeking adequate redress from Coinbase, even in instances where, as here, Coinbase is alleged to have violated the CFAA, EFTA, CCPA, and California Penal Code § 496.

576. The User Agreement is unenforceable because the central purpose of the Agreement is tainted with illegality such that the contract, as a whole, cannot be enforced.

577. There is an actionable and justiciable controversy between Plaintiff and Coinbase.

578. The Court’s decision in *AT&T Mobility LLC v. Concepcion*, 563 U.S. 333 (2010) did not abrogate the Federal Arbitration Act’s savings clause, which provides that arbitration agreements may be declared unenforceable “upon such grounds as exist at law or in equity for the revocation of any contract,” including “generally applicable contract defenses, such as fraud, duress, or unconscionability.” *Concepcion* at 339, quoting 9 U.S.C. § 2 and *Doctors Associates, Inc. v. Casarotto*, 517 U.S. 681, 687 (1996). These defenses apply squarely to the User Agreement here.

579. Plaintiff respectfully demands entry of a judgment against Coinbase, declaring the User Agreement, in its entirety, unenforceable as unconscionable; as against public policy; or, in the alternative, that the Delegation Clause is unenforceable and: **(a)** the Exculpatory Provision is unenforceable as against Plaintiff; **(b)** the Damages Restriction is unenforceable as against Plaintiff; **(c)** the Indemnity Provision is unenforceable as against Plaintiff; and **(d)** the Arbitration Provision is unenforceable as against Plaintiff.

NINETEENTH CLAIM FOR RELIEF

CONSTRUCTIVE TRUST

580. Plaintiff realleges and incorporates each of the above paragraphs 1 – 579, as though fully set forth in this cause of action.

581. Defendants obtained Plaintiff’s cryptocurrency through actual fraud, misappropriation, conversion, theft, or by other unlawful or unethical means.

582. In equity and good conscience, Defendants should not be permitted to retain Plaintiff’s bitcoins and BSV.

583. Coinbase took actions and made promises with the intent to defraud Plaintiff, and to

1 induce him to store, and continue storing and exchanging his digital assets on or using the
2 Coinbase Platform.

3 584. DOES 1-50 stole, or intended to permanently deprive Plaintiff of his bitcoins and his
4 BSV.

5 585. Coinbase caused DOES 1-50 to acquire and retain Plaintiff's property, and the proceeds
6 thereof or the profits therefrom, for Defendants' respective benefits.

7 586. Plaintiff acted reasonably in relying on Coinbase's acts and promises.

8 587. Plaintiff would not have acted in reliance upon Coinbase's promises, had Plaintiff known
9 of Coinbase's secret intention not to perform its duties as a regulated financial institution and
10 custodial Wallet services provider.

11 588. The cryptocurrency assets for which Plaintiff seeks imposition of a constructive trust are
12 specific, identifiable properties that can be traced to the Bitcoin public key address,
13 *bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm* (the *bc1 Wallet*); and to the BSV public key
14 address, *14goHFL8GGyuKCvbFtGW9PqQ5Urspwn9uu*.

15 589. Plaintiff hereby demands the equitable imposition of a constructive trust over the
16 property currently held in the *bc1 Wallet*, and in the BSV Wallet,
17 *14goHFL8GGyuKCvbFtGW9PqQ5Urspwn9uu*.

18 590. Plaintiff requests an order that all assets being held by Defendants in the *bc1 Wallet*, and
19 in the *14goHFL8GGyuKCvbFtGW9PqQ5Urspwn9uu* BSV Wallet, be disgorged and held in
20 trust for Plaintiff's benefit, as Defendants are not entitled to the benefit of misappropriated,
21 converted, or stolen funds or assets.

22 TWENTIETH CLAIM FOR RELIEF

23 REPLEVIN AND DETINUE

24 591. Plaintiff realleges and incorporates each of the above paragraphs 1 – 590, as though fully
25 set forth in this cause of action.

26 592. This is an action to recover possession of personal property.

27 593. The personal property at issue is 2.05698427 bitcoins (the "*res*").

28 594. As of the date of this filing, the *res* is believed to be stored in the Bitcoin Wallet with the

1 public key address, *bc1qip79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm* (the *bc1 Wallet*).

2 595. The *res* was wrongfully taken from Plaintiff on December 14, 2021, and the *res* was
3 transferred from Plaintiff's Bitcoin Wallet to the *bc1 Wallet*, without Plaintiff's knowledge,
4 permission, or consent, and through no fault of his own.

5 596. Plaintiff owned and has the right to possess the *res*, and not just a mere right to payment
6 for the value of the *res*.

7 597. Defendants have intentionally exercised control, and continue to exercise control, over
8 the bitcoins currently associated with the *bc1 Wallet*, in a manner that excludes Plaintiff from
9 using or possessing the *res*.

10 598. The *res* has not been taken for any tax assessment or fine pursuant to law, nor has the *res*
11 been taken under an execution or attachment against Plaintiff's property.

12 599. The *res* is not exempt from execution.

13 600. The *res* has been unlawfully detained by Defendants, and has not been returned to
14 Plaintiff as of the date of filing of this Complaint.

15 601. Plaintiff seeks assistance from this Court to restore the *res* to Plaintiff.

16 602. Plaintiff hereby demands a writ of replevin, and detinue of the bitcoins taken from him.

17 603. Plaintiff demands a writ of detinue directing the United States Marshal in any district
18 where the *res* may be located, to repossess the *res* on behalf of Plaintiff, or to assist Plaintiff in
19 repossessing the *res*.

20 ***

21 This Complaint is not being presented for an improper purpose, such as to harass, cause
22 unnecessary delay, or needlessly increase the cost of litigation.

23 This Complaint is supported by existing law or by a nonfrivolous argument for extending,
24 modifying, or reversing existing law.

25 The factual contentions in this Complaint have evidentiary support or, if alleged upon
26 information and belief, will likely have evidentiary support after a reasonable opportunity for
27 further investigation or discovery.

28 This Complaint complies with the requirements of Rule 11.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- a. Requiring Defendants to pay the actual damages sustained by Plaintiff by reason of the acts and transactions alleged herein, plus punitive damages;
- b. For general damages against Defendants, and each of them, jointly and severally, in an amount to be determined at trial in order to restore Plaintiff to the position he was in prior to the damage, but in no event less than \$101,762.51 USD, or 2.05 BTC and 1.727 BSV;
- c. For an award of restitution, and an order for the disgorgement of all of Defendants' ill-gotten gains from the unlawful conduct alleged herein;
- d. For exemplary and punitive damages against Defendants, and each of them, in an amount to be determined at trial;
- e. For an order permanently and publicly enjoining Defendants from continuing to engage in the unlawful and unfair business acts and practices alleged herein;
- f. For a judgment declaring the Coinbase User Agreement (dated December 6, 2021) unenforceable in its entirety, as unconscionable, and as void against public policy; or, in the alternative that: (a) the Delegation Clause is unenforceable as against Plaintiff; (b) the Damages Restriction is unenforceable as against Plaintiff; (c) the Indemnity is unenforceable as against Plaintiff; and (d) the Arbitration Provision is unenforceable as against Plaintiff;
- g. For an order permanently and publicly restraining each and every person with possession of the private key(s) for the **bc1 Wallet** from taking any action that would, or reasonably could cause the 2.05647153 BTC presently in the **bc1 Wallet**, to be transferred to another Bitcoin Wallet, or to otherwise become irrecoverable;
- h. For an order for a writ of detinue directing the United States Marshal in any district where the *res* may be located to repossess the *res* and/or the bitcoins in the **bc1 Wallet**, on behalf of Plaintiff Ryan Dellone, or to otherwise assist Plaintiff in repossessing the *res*;
- i. For an order compelling Defendants to transfer to Plaintiff the control, legal title, and

possession of the 2.05698427 bitcoins located at the Bitcoin public key address, *bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm*; and to do the same with the XTZs and XTZ rewards earned through Plaintiff's Coinbase account, and the BSV at the BSV public key address, *14goHFL8GGyuKCvbFtGW9PqQ5Urspwn9uu*;

- j. For an order requiring Defendants to engage in necessary corrective actions, so that customer accounts and customer funds and cryptocurrency assets can be secured, accessed, and exchanged between Plaintiff and any persons or entities currently in possession of those accounts, funds, and assets belonging to Plaintiff;
- k. Awarding Plaintiff prejudgment and post-judgment interest, as well as well as reasonable attorneys' fees, expert fees and other costs and expenses of this litigation; and
- l. Awarding such other relief as the Court deems just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury on all issues so triable.

DATED: September 26, 2023

THE LAW OFFICE OF ETHAN MORA

By: /s/ Ethan E. Mora

Ethan E. Mora, Esq.

Attorney for Plaintiff Ryan Dellone

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Coinbase User Agreement

Last updated: December 6, 2021

Welcome to Coinbase! This is a User Agreement between you (also referred to herein as "Client," "User," or customer) and Coinbase Inc. ("Coinbase"). This User Agreement ("Agreement") governs your use of the services provided by Coinbase described below ("Coinbase Services" or "Services"). By signing up to use an account through [coinbase.com](https://www.coinbase.com), pro.coinbase.com, APIs, or the Coinbase mobile application (collectively the "Coinbase Site"), you agree that you have read, understand, and accept all of the terms and conditions contained in this Agreement including Section 8.2. "Arbitration; Waiver of Class Action", as well as our [Privacy Policy](#), [Cookie Policy](#), and E-Sign Consent Policy.

As with any asset, the value of Digital Currencies can go up or down and there can be a substantial risk that you lose money buying, selling, holding, or investing in digital currencies. You should carefully consider whether trading or holding Digital Currencies is suitable for you in light of your financial condition. Coinbase is not registered with the U.S. Securities and Exchange Commission and does not offer securities services in the United States or to U.S. persons.

Part 1: GENERAL USE

1. Account Setup

1.1. Eligibility. To be eligible to use the Coinbase Services, you must be at least 18 years old, and reside in the United States.

1.2. Terms. We may amend or modify this Agreement at any time by posting the revised agreement on the Coinbase Site and/or providing a copy to you (a "Revised Agreement"). The Revised Agreement shall be effective as of the time it is posted but will not apply retroactively. Your continued use of the Services after the posting of a Revised Agreement constitutes your acceptance of such Revised Agreement. If you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of the Services and close your account.

1.3. Registration of Coinbase Account. You must register for a Coinbase account to use the Coinbase Services (a "Coinbase Account"). By using a Coinbase Account you agree and represent that you will use Coinbase only for yourself, and not on behalf of any third party, unless you have obtained prior approval from Coinbase. You are fully responsible for all activity that occurs under your Coinbase Account. We may, in our sole discretion, refuse to open a Coinbase Account, or limit the number of Coinbase Accounts that you may hold or suspend or terminate any Coinbase Account or the trading of specific Digital Currency in your account.

1.4. Identity Verification. During registration for your Coinbase Account, you agree to provide us with the information we request for the purposes of identity verification and the detection of money laundering, terrorist financing, fraud, or any other financial crimes and permit us to keep a record of such information. You will need to complete certain verification procedures before you are permitted to use the Coinbase Services. Your access to one or more Coinbase Services and the limits that apply to your use of the Coinbase Services, may be altered as a result of information collected about you on an ongoing basis. The information we request may include certain personal information, including, but not limited to, your name, address, telephone number, e-mail address, date of birth, taxpayer identification number, a government identification, and information regarding your bank account (such as the name of the bank, the account type, routing number, and account number) and in some cases (where permitted by law), special categories of personal data, such as your biometric information. In providing us with this or any other information that may be required, you confirm that the information is accurate and authentic. You agree to keep us updated if any of the information you provide changes. **You authorize us to make inquiries, whether directly or through third parties, that we consider necessary to verify your identity or protect you and/or us against fraud or other financial crime, and to take action we reasonably deem necessary based on the results of such inquiries. When we carry out these inquiries, you acknowledge and agree that your personal information may be disclosed to credit reference and fraud prevention or financial crime agencies and that these agencies may respond to our inquiries in full. This is an identity check only and should have no adverse effect on your credit rating.** Further, you authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship. See our [Privacy Policy](#) for how we treat your data.

1.5. Access. To access the Coinbase Services, you must have the necessary equipment (such as a smartphone or laptop) and the associated telecommunication service subscriptions to access the Internet. The Coinbase Services can be accessed directly using the Coinbase Site. Access to Coinbase Services may become degraded or unavailable during times of significant volatility or volume.

This could result in the inability to buy or sell for periods of time and may also lead to support response time delays. Although we strive to provide you with excellent service, we do not represent that the Coinbase Site or other Coinbase Services will be available

PART 1. GENERAL USE

Account Setup

Wallet and Custodial Services

Payment Services, Purchase & Sale Transactions, Credit Transactions

Digital Currency Transfers

Additional Services

Staking

Data Protection and Security

General Use, Prohibited Use, Death of Account Holder and Termination

Customer Feedback, Queries, Complaints, and Dispute Resolution

General Provisions

Appendix 1: Prohibited Use, Prohibited Businesses and Conditional Use

Appendix 2: Verification Procedures and Limits

Appendix 3: E-Sign Disclosure and Consent

Appendix 4: State License Disclosures

Appendix 5: Using Your Coinbase Card

Appendix 6: Coinbase One Subscription

PART 2. COINBASE PRO

Coinbase Pro Accounts

Trading Rules and Trading Fees

General Use, Restrictions, and Cancellation

2. Wallet and Custodial Services

2.1. Wallet Services. As part of your Coinbase Account, Coinbase will provide qualifying users access to: (a) a hosted Digital Currency wallet(s) for holding Digital Currencies ("**Digital Currency Wallet**"), and (b) a hosted US Dollars ("**USD**") wallet for holding USD (a "**USD Wallet**").

2.2. Hosted Digital Currency Wallet. Your Digital Currency Wallet allows you to store, track, transfer, and manage your balances of Digital Currency. As used throughout, "**Digital Currency**" means only those particular digital currencies listed as available to trade or custody in your Coinbase Account (also referred to as "**Supported Digital Currency**"). Services and supported assets may vary by jurisdiction. We securely store Digital Currency private keys, which are used to process transactions, in a combination of online and offline storage. As a result of our security protocols, it may be necessary for us to retrieve private keys or related information from offline storage in order to facilitate a Digital Currency Transfers in accordance with your instructions, and you acknowledge that this may delay the initiation or crediting of such Digital Currency Transfers. You may elect to use other services, such as the Coinbase Vault, which allow you to set withdrawal time-delays and create other conditions around the custody and transfer of your Digital Currency. Additional rules associated with such product(s) and service(s) may apply.

2.3. Supported Digital Currencies. Your Coinbase Account is intended solely for proper use of Supported Digital Currencies as designated on the Site. ***Under no circumstances should you attempt to use your Digital Currency Wallet to store, send, request, or receive any assets other than Supported Digital Currencies. Coinbase assumes no responsibility in connection with any attempt to use your Digital Currency Wallet with digital currencies that we do not support. If you have any questions about our current list of Supported Digital Currencies, please visit <https://support.coinbase.com>.***

2.4. Supplemental Protocols Excluded. Unless specifically announced on the Coinbase Site or other official public statement of Coinbase, Supported Digital Currencies excludes all other protocols and/or functionality which supplement or interact with the Supported Digital Currency. This exclusion includes but is not limited to: metacoins, colored coins, side chains, or other derivative, enhanced, or forked protocols, tokens, or coins or other functionality, such as staking, protocol governance, and/or any smart contract functionality, which may supplement or interact with a Digital Currency we support. Do not use your Coinbase Account to attempt to receive, request, send, store, or engage in any other type of transaction or functionality involving any such protocol as Coinbase is not configured to detect, secure, or process these transactions and functionality. Any attempted transactions in such items will result in loss of the item. ***You acknowledge and agree that supplemental protocols are excluded from Supported Digital Currency and that Coinbase has no liability for any losses related to supplemental protocols.***

2.5 Operation of Digital Currency Protocols. We do not own or control the underlying software protocols which govern the operation of Digital Currency supported on our platform. Generally, the underlying protocols are open source, and anyone can use, copy, modify, and distribute them. We assume no responsibility for the operation of the underlying protocols and we are not able to guarantee the functionality or security of network operations. In particular, the underlying protocols may be subject to sudden changes in operating rules (including "**forks**"). Any such material operating changes may materially affect the availability, value, functionality, and/or the name of the Digital Currency you store in your Digital Currency Wallet. Coinbase does not control the timing and features of these material operating changes. It is your responsibility to make yourself aware of upcoming operating changes and you must carefully consider publicly available information and information that may be provided by Coinbase in determining whether to continue to use a Coinbase Account for the affected Digital Currency. In the event of any such operational change, Coinbase reserves the right to take such steps as may be necessary to protect the security and safety of assets held on the Coinbase platform, including temporarily suspending operations for the involved digital currency(ies), and other necessary steps; Coinbase will use its best efforts to provide you notice of its response to any material operating change; however, such changes are outside of Coinbase's control and may occur without notice to Coinbase. Coinbase's response to any material operating change is subject to its sole discretion and includes deciding not to support any new digital currency, fork, or other actions. ***You acknowledge and accept the risks of operating changes to Digital Currency protocols and agree that Coinbase is not responsible for such operating changes and not liable for any loss of value you may experience as a result of such changes in operating rules. You acknowledge and accept that Coinbase has sole discretion to determine its response to any operating change and that we have no responsibility to assist you with unsupported currencies or protocols.***

2.6. Digital Currency Custody and Title. All Digital Currencies held in your Digital Currency Wallet are custodial assets held by Coinbase for your benefit, as described in further detail below.

2.6.1 Ownership. Title to Digital Currency shall at all times remain with you and shall not transfer to Coinbase. As the owner of Digital Currency in your Digital Wallet, you shall bear all risk of loss of such Digital Currency. Coinbase shall have no liability for Digital Currency fluctuations. None of the Digital Currencies in your Digital Currency Wallet are the property of, or shall or may be loaned to, Coinbase; Coinbase does not represent or treat assets in User's Digital Currency Wallets as belonging to Coinbase. Coinbase may not grant a security interest in the Digital Currency held in your Digital Currency Wallet. Except as required by a facially valid court order, or except as provided herein, Coinbase will not sell, transfer, loan, hypothecate, or otherwise alienate Digital Currency in your Digital Currency Wallet unless instructed by you.

2.6.2 Control. You control the Digital Currencies held in your Digital Currency Wallet. At any time, subject to outages, downtime, and other applicable policies, you may withdraw your Digital Currency by sending it to a different blockchain address. As long as you continue to custody your Digital Currencies with Coinbase, Coinbase shall retain control over electronic private keys associated with blockchain addresses operated by Coinbase, including the blockchain addresses that hold your Digital Currency.

2.6.3 Acknowledgement of Risk. You acknowledge that Digital Currency is not subject to protections or insurance provided by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation.

2.6.4 Digital Currencies Not Segregated. In order to more securely custody assets, Coinbase may use shared blockchain addresses, controlled by Coinbase, to hold Digital Currencies held on behalf of customers and/or held on behalf of Coinbase. Although we maintain separate ledgers for Client and Coinbase accounts, Coinbase shall have no obligation to segregate by blockchain address Digital Currencies owned by you from Digital Currencies owned by other customers or by Coinbase.

2.7. USD Wallet. Your USD Wallet allows you to hold and transfer USD with your Coinbase Account as described below. In general, we will combine the balance of your USD Wallet with other customers' balances and either hold those funds in a custodial account at a U.S. FDIC-insured bank or invest those funds in liquid investments, such as U.S. treasuries, in accordance with state money transmitter laws. Coinbase owns the interest or other earnings on these investments. Pooled customer funds are held apart from Coinbase's corporate funds and Coinbase will neither use these funds for its operating expenses or any other corporate purposes.

2.8. USDC Wallets. You may also elect to buy USD Coin from Coinbase, a Digital Currency issued by Circle Internet Financial ("**Circle**") and supported by Coinbase ("**USDC**"). You are the owner of the balance of your USDC Wallet. Coinbase is not the issuer of USDC, does not hold U.S. Dollars on reserve for USDC holders, and has no obligation to repurchase your USDC for USD. You can redeem your USDC with Circle, and Coinbase may also elect to repurchase your USDC in exchange for USD. You agree to be bound by the terms of the Circle USDC Agreement (located at <https://support.usdc.circle.com/hc/en-us/articles/360001233386-Circle-USDC-User-Agreement>), which provides additional obligations, undertakings, and limitations with respect to USDC.

3. Payment Services, Purchase & Sale Transactions, Credit Transactions

3.1. USD Funds. You can load funds into your USD Wallet from a valid bank account via ACH transfer or wire transfer. Your USD balance is in a pending state and will not be credited to your USD Wallet until after the bank transfer has cleared, usually with 5 business days. We may debit your linked bank account as soon as you initiate payment. The name on your linked bank account and your wire transfer must match the name verified on your Coinbase Account.

3.2. Transactions on the Coinbase Site. When you purchase (buy) or sell Digital Currency on the Coinbase Site, you are not buying

Digital Currency from Coinbase by selling Digital Currency to you. Coinbase acts as the agent, representing on your behalf, facilitate that purchase or sale between you and other Coinbase customers. You can purchase (buy) Digital Currency using: (a) funds in your USD Wallet, (b) Digital Currency held in certain Digital Currency Wallets, as permitted by Coinbase, (c) a valid bank account in the name that matches the name on your Coinbase Account, or (d) a debit or credit card that matches the name on your Coinbase Account (each a **"Valid Payment Method"**). Your purchase must follow the relevant instructions on the Coinbase Site. Coinbase reserves the right to cancel any transaction not confirmed by you within five (5) seconds after Coinbase quotes a transaction price. A purchase of Digital Currency using a Valid Payment Method generally will initiate on the business day we receive your instructions. Purchased Digital Currency will be deposited in your Digital Currency Wallet as soon as funds have settled to Coinbase, which in the case of a bank account or credit or debit card may take up to five business days. You can sell Digital Currency and instruct Coinbase to deposit funds into your Coinbase USD Wallet or, where supported, a Digital Currency Wallet. Digital Currency purchases and sales are collectively referred to herein as **"Digital Currency Transactions"**. If Coinbase cannot complete your Digital Currency Transaction for any reason (such as price movement, market latency, inability to find a counterparty for your transaction, or order size), Coinbase will reject the order and notify you of such rejection. You will not be charged for a rejected transaction.

3.3. Fees. In general, Coinbase makes money when you purchase or sell digital currency on our Site. A description of the Coinbase fees for your Coinbase Account can be found on our [Pricing and Fees Disclosures](#) page. By using Coinbase Services you agree to pay all applicable fees. Coinbase reserves the right to adjust its pricing and fees and any applicable waivers at any time. We will always notify you of the pricing and fees which apply to your transaction when you authorize the transaction and in each receipt we issue to you. We may charge network fees (miner fees) to process a Digital Currency Transaction on your behalf. We will calculate the network fee in our discretion, although we will always notify you of the network fee at or before the time you authorize the Digital Currency Transaction. Bank fees charged to Coinbase are netted out of transfers to or from Coinbase. You are responsible for paying any additional fees charged by your financial service provider. We will not process a transfer if associated bank fees exceed the value of the transfer. You may be required to deposit additional USD to cover bank fees if you desire to complete such a transfer.

3.4. Recurring Digital Currency Transactions. If you initiate recurring Digital Currency Transactions, you authorize us to initiate recurring electronic payments in accordance with your selected Digital Currency Transaction and any corresponding payment accounts, such as recurring automated clearing house (ACH) debit or credit entries from or to your linked bank account. Your recurring transactions will occur in periodic installments, based on your period selection (e.g., daily, weekly, monthly), until either you or Coinbase cancels the recurring order. Recurring transactions scheduled for the 29th, 30th, or 31st day of a month will be processed the earlier of the date scheduled or on the last day of the applicable month. For example, recurring transactions scheduled for the 31st will be processed on the 30th in April, June, September, and November. Your recurring transaction will be executed within the 24-hour day on the transaction date. Transaction times may vary.

If you select a U.S. Bank Account as your payment method for a recurring transaction, and such transaction falls on a weekend or holiday, or after bank business hours, the ACH credit or debit will be executed on the next business day, although the Digital Currency fees at the time of the regularly-scheduled transaction will apply. If your Bank is unable to process any electronic ACH debit entry, we will notify you of cancellation of the transaction and may avail itself of remedies set forth in this User Agreement to recover any amount owed to Coinbase. This authorization will remain in full force and effect until you change your recurring transaction settings at https://www.coinbase.com/recurring_payments, or until you provide us written notification at <https://support.coinbase.com>. You agree to notify Coinbase in writing of any changes in your linked bank account information prior to a recurring transaction. Coinbase may, at any time, suspend or delay recurring transactions without notice or terminate recurring transactions by providing notice to you.

3.5. Credit Transaction Payments. You may use the "Make A Payment" option on the Coinbase Site from time to time to authorize payments for any credit transaction with us or any of our affiliates, including any amount owing pursuant to any credit agreement you may enter into with us or any of our affiliates, from time to time. With this option, you can authorize us or our affiliates to make a one-time charge to your linked deposit account through the ACH network (your **"Preferred Payment Method"**). You may select or approve the dollar amount and transaction date for each one-time payment you authorize using your Preferred Payment Method. We and our affiliates reserve the right to limit the amount and date of these one-time charges, screen transactions, and take other steps for our own risk management and business reasons. Although we or our affiliates will try to notify you if your depository institution is unable or unwilling to process any one-time charge using your Preferred Payment Method, you agree we are not required to do so and you are still required to make payments in the time and manner required by your credit agreement with us or any of our affiliates.

3.6. Revocation. When you give us instructions to purchase (buy) Digital Currency, you cannot withdraw your consent to that purchase unless the purchase is not scheduled to occur until a future date e.g. you set up a recurring purchase of Digital Currency (a **"Future Transaction"**). In the case of a Future Transaction, you may withdraw your consent up until the end of the business day before the date that the Future Transaction is scheduled to take place. To withdraw your consent to a Future Transaction, follow the instructions on the Coinbase Site.

3.7. Unauthorized and Incorrect Transactions. When a Digital Currency or USD transaction occurs using your credentials, we will assume that you authorized such transaction, unless you notify us otherwise. If you believe you did not authorize a particular transaction or that a transaction was incorrectly carried out, you must contact us as soon as possible either by email free of charge at <https://support.coinbase.com> or by phone at +1 (888) 908-7930 (international call charges may apply). It is important that you regularly check your USD Wallet and Digital Currency Wallet balances and your transaction history regularly to ensure you notify us as soon as possible of any unauthorized or incorrect transactions to. We are not responsible for any claim for unauthorized or incorrect transactions unless you have notified us in accordance with this section.

3.8. Account Information. You will be able to see your USD Wallet and Digital Currency Wallet balances using the Coinbase Site. You can also see your transaction history using the Coinbase Site, including (i) the amount (and currency) of each Digital Currency Transaction, (ii) a reference to the identity of the payer and/or payee (as appropriate), (iii) any fees charged (excluding any spread, or margin, over the prevailing market rate on Coinbase's trading platform), (iv) if applicable, the rate of exchange, and the amount (in the new currency) after exchange (where you are the payer) or the amount (in the original currency) before the exchange (where you are the payee), and (v) the date of each Digital Currency Transaction.

3.9. Consent to access, processing and storage of your personal data. You consent to us accessing, processing and retaining any personal information you provide to us for the purpose of us providing Coinbase Services to you. This consent is not related to, and does not affect, any rights or obligations we or you have in accordance with data protection laws, privacy laws and regulations. You can withdraw your consent at any time by closing your account with us. However, we may retain and continue to process your personal information for other purposes. Please see our [Privacy Policy](#) for further information about how we process your personal data, and the rights you have in respect of this.

3.10. Reversals & Cancellations. You cannot cancel, reverse, or change any transaction marked as complete or pending. If your payment is not successful, if your payment method has insufficient funds, or if you reverse a payment made from funds in your bank account, you authorize Coinbase, in its sole discretion, either to cancel the transaction or to debit your other payment methods, including your USD Wallet or Digital Currency Wallet balances or other linked accounts, in any amount necessary to complete the transaction. You are responsible for maintaining an adequate balance and/or sufficient credit limits in order to avoid overdraft, non-sufficient funds (NSF), or similar fees charged by your payment provider. We reserve the right to refuse to process, or to cancel or reverse, any Digital Currency Transaction or Transfers in our sole discretion, even after funds have been debited from your account(s), if we suspect the transaction involves (or has a high risk of involvement in) money laundering, terrorist financing, fraud, or any other type of financial crime; in response to a subpoena, court order, or other government order; if we reasonably suspect that the transaction is erroneous; or if Coinbase suspects the transaction relates to Prohibited Use or a Prohibited Business as set forth below. In such instances, Coinbase will reverse the transaction and we are under no obligation to allow you to reinstate a purchase or sale order at the same price or on the same terms as the cancelled transaction.

3.11. Payment Services Partners. Coinbase may use a third party payment processor to process any US Dollar payment between you and Coinbase, including but not limited to payments in relation to your use of the Digital Currency Transactions or deposits or withdrawals from your USD Wallet or Coinbase Pro Account.

EXHIBIT A

4.1. In General. If you have sufficiently verified your identity, your Digital Currency Wallet enables you to send Supported Digital Currency to, and request, receive, and store Supported Digital Currency from, third parties by giving instructions through the Coinbase Site. Your transfer of Supported Digital Currencies between your other digital currency wallets (including wallets off the Coinbase Site) and to and from third parties is a **"Digital Currency Transfer"**.

4.2. Pending Transactions. Once a Digital Currency Transfer is submitted to a Digital Currency network, the transaction will be unconfirmed and remain in a pending state for a period of time sufficient to confirmation of the transaction by the Digital Currency network. A Digital Currency Transfer is not complete while it is in a pending state. Pending Digital Currency Transfers that are initiated from a Coinbase Account will reflect a pending transaction status and are not available to you for use on the Coinbase platform or otherwise while the transaction is pending.

4.3. Inbound Digital Currency Transfers. When you or a third party sends Digital Currency to a Coinbase wallet from an external wallet not hosted on Coinbase (**"Inbound Transfers"**), the person initiating the transaction is solely responsible for executing the transaction properly, which may include, among other things, payment of sufficient network or miner's fees in order for the transaction to be successful. Insufficient network fees may cause an Inbound Transfer to remain in a pending state outside of Coinbase's control and we are not responsible for delays or loss incurred as a result of an error in the initiation of the transaction and have no obligation to assist in the remediation of such transactions. **By initiating an Inbound Transfer, you attest that you are transacting in a Supported Digital Currency which conforms to the particular Coinbase wallet into which funds are directed. For example, if you select an Ethereum wallet address to receive funds, you attest that you are initiating an Inbound Transfer of Ethereum alone, and not any other currency such as Bitcoin or Ethereum Classic. Coinbase incurs no obligation whatsoever with regard to unsupported digital currency sent to a Coinbase Account or Supported Digital Currency sent to an incompatible Digital Currency wallet. Erroneously transmitted funds will be lost.** We recommend customers send a small amount of Supported Digital Currency as a test prior to initiating a send of a significant amount of Supported Digital Currency. Coinbase may from time to time determine types of Digital Currency that will be supported or cease to be supported.

4.4. Outbound Digital Currency Transfers. When you send Digital Currency from your Coinbase Account to an external wallet (**"Outbound Transfers"**), such transfers are executed at your instruction by Coinbase. You should verify all transaction information prior to submitting instructions to us. Coinbase shall bear no liability or responsibility in the event you enter an incorrect blockchain destination address. We do not guarantee the identity or value received by a recipient of an Outbound Transfer. Digital Currency Transfers cannot be reversed once they have been broadcast to the relevant Digital Currency network, although they may be in a pending state, and designated accordingly, while the transaction is processed by network operators. Coinbase does not control the Digital Currency network and makes no guarantees that a Digital Currency Transfer will be confirmed by the network. We may refuse to process or cancel any pending Outbound Digital Currency Transfers as required by law or any court or other authority to which Coinbase is subject in any jurisdiction. Additionally, we may require you to wait some amount of time after completion of a transaction before permitting you to use further Coinbase Services and/or before permitting you to engage in transactions beyond certain volume limits.

4.5. Transfers to a Recipient Email Address. Coinbase allows you to initiate a Digital Currency Transfer to a Coinbase customer by designating that customer's email address. If you initiate a Digital Currency Transfer to an email address, and the recipient does not have an existing Coinbase Account, we will invite the recipient to open a Coinbase Account. If the recipient does not open a Coinbase Account within 30 days, we will return the relevant Digital Currency to your Digital Currency Wallet.

4.6. Third Party Merchants. We have no control over, or liability for, the delivery, quality, safety, legality or any other aspect of any goods or services that you may purchase from a third party (including other users of Coinbase Digital Currency Services). We are not responsible for ensuring that a third party buyer or a seller you transact with will complete the transaction or is authorized to do so. If you experience a problem with any goods or services purchased from, or sold to, a third party using Digital Currency transferred using the Coinbase Digital Currency Services, or if you have a dispute with such third party, you should resolve the dispute directly with that third party. If you believe a third party has behaved in a fraudulent, misleading, or inappropriate manner, or if you cannot adequately resolve a dispute with a third party, you may notify Coinbase Support at <https://support.coinbase.com> so that we may consider what action to take, if any.

4.7. Debts. In the event that there are outstanding amounts owed to us hereunder, including in your Coinbase Account, Coinbase reserves the right to debit your Coinbase Account or Coinbase Pro Account accordingly and/or to withhold amounts from funds you may transfer from your Coinbase Pro Account to your Coinbase Account.

5. Additional Services

5.1. Generally. In addition to the Services above, the following services (**"Additional Services"**) may be made available by Coinbase to users that fulfill certain eligibility criteria.

5.2. Coinbase Pro Services. Coinbase Pro Services are services related to Coinbase Pro's order matching platform. If you are eligible and elect to use the Coinbase Pro Services, you must establish a Coinbase Pro account at pro.coinbase.com (**"Coinbase Pro Account"**). The provisions of this Section 5.1. apply to your use of such Coinbase Pro Services in addition to the other applicable provisions of this Agreement, including without limitation the releases, indemnities, disclaimers, limitations of liability, prohibited use, dispute resolution, and cancellation policies set forth above. Additionally, you also accept and agree to be bound by the Trading Rules and the Coinbase Pro Trading Fees.

5.2.1 Coinbase Pro Account. You may not sell, lease, furnish or otherwise permit or provide access to your Trading Account to any other entity or to any individual that is not your employee or agent. You accept full responsibility for your employees' or agents' use of Coinbase Pro, whether such use is directly through the Coinbase Pro website or by other means, such as those facilitated through API keys, and/or applications which you may authorize. You understand and agree that you are responsible for any and all orders, trades, and other instructions entered into Coinbase Pro including identifiers, permissions, passwords, and security codes associated with your Coinbase Pro Account.

5.2.2 Order Books. Coinbase Pro Services offer an order book for various Digital Currency and Fiat Currency trading pairs (each an **"Order Book"**). Refer to your Coinbase Pro Account to determine which Order Books are available to you.

5.2.3 Associated Tools. In addition to the Wallet Services detailed in Section 2.1, your Coinbase Pro Account provides you access to associated user tools, accessible at pro.coinbase.com and through the Coinbase Pro API.

5.3. USDC Rewards.

USDC IS NOT LEGAL TENDER. USDC IS A DIGITAL CURRENCY AND COINBASE HAS NO RIGHT TO USE ANY USDC YOU HOLD ON COINBASE. COINBASE IS NOT A DEPOSITORY INSTITUTION, AND YOUR USDC WALLET IS NOT A DEPOSIT ACCOUNT. YOUR USDC WALLET IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

5.3.1 Eligibility. If you are **eligible**, you can earn rewards for holding USDC on Coinbase.com. So long as you hold at least \$1 of USDC in your Coinbase.com account, you will automatically earn amounts of USDC as described below in the "Calculation" section (**"USDC Rewards"**). If at any time you do not hold at least \$1 of USDC in your Coinbase.com account, your enrollment in USDC Rewards will be paused until such time that you do hold at least \$1 of USDC in your Coinbase.com account. During such period you will retain all USDC Rewards previously accrued but not yet distributed. Such accrued rewards will be distributed as described below in the "Calculation" section. If at any time you are deemed **ineligible**, your enrollment in USDC Rewards will be similarly paused. You can opt-out of, or back into, USDC Rewards at any time by following the instructions [here](#). If you opt-out of USDC Rewards or close your Coinbase.com account, you will forfeit the rewards you have accrued (that are not yet distributed for the current calendar month) up to that time. USDC held on Coinbase Pro is not eligible for USDC Rewards.

5.3.2 Calculation. Rewards are earned on a daily basis in the form of USDC at the then current **USDC Rewards Rate**. Our current **USDC Rewards Rate** can be found [here](#). Our current **USDC Rewards Annual Percentage Yield**, which includes the effect of

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monthly compounding. The current USD Rewards Rate can be found [here](#). Rewards earned are paid to you in your Coinbase USD wallet within 5 business days after the start of the next calendar month. USD Rewards distributed to you are rounded-down to the nearest sixth decimal place. We use the **Daily Balance Method** to determine the rewards you earn for a particular day, using your average balance of USD on that specific day as that day's balance. The rate used to determine rewards earned for a particular day is the then current **USD Rewards Rate** divided by 365.

5.3.3 Changes. We reserve the right to change the **USD Rewards Rate Annual Percentage Yield** at any time by notification [here](#) and [here](#) and by other reasonable means of notice (including e-mail). Unless otherwise stated in the notice, no change will be effective until the first day of the calendar month after such notice is made. We reserve the right to add, change, or delete any provision of these terms and to terminate the USD rewards program, or your participation in the program, at any time upon notice made in the same manner.

5.3.4 Definitions.

"USD Rewards Rate" means the annual rate of rewards earned on a USD wallet, which does not reflect compounding. The current USD Rewards Rate can be found [here](#).

"USD Rewards Annual Percentage Yield" or "APY" means the percentage rate reflecting the total amount of USD Rewards earned, based on the then current USD Rewards Rate and end of month compounding for a 365-day period. The current USD Rewards Annual Percentage Yield can be found [here](#) and [here](#).

"Daily Balance Method" means the application of the daily periodic rate (derived from the APY) to the calendar day average of USD held in your USD wallet each day.

"Day" means a UTC calendar day.

5.4 Staking Services. When you hold Digital Currencies on Coinbase you may be given the option to "stake" these assets in a third party proof of stake network via staking services provided by Coinbase or an affiliate or a third party. In a proof of stake network, transaction validators are chosen using a formula based on the amount of underlying Digital Currency staked by the validator as opposed to computing power (i.e., proof of work). Please visit our [staking information page](#) for further details on how proof of stake works. Staking services are not available for Digital Currencies held on Coinbase Pro.

5.4.1 Staking Service is Optional. Staking services may be made available to you by default for Digital Currencies where staking functionality is available on Coinbase. YOU ARE NOT REQUIRED TO STAKE WITH COINBASE AND YOU CAN OPT-OUT OF ANY DEFAULT COINBASE STAKING SERVICES AT ANY TIME THROUGH THE [SETTINGS PAGE IN YOUR ACCOUNT](#). Unless otherwise specified, if you opt-out of staking services, you can opt back in at any time with immediate effect.

5.4.2 The Service; Rewards; Commission; Limitations. (a) If you stake your assets with us, Coinbase, or one of its affiliates, will facilitate the staking of those assets on your behalf by acting as a transaction validator on the applicable network for the Digital Currency you stake. If Coinbase or an affiliate successfully validates a block of transactions in that Digital Currency, you may earn a reward granted by that Digital Currency's network. Your reward will be determined by the protocols of the [applicable network](#). Coinbase will distribute any earned rewards to you after receipt by Coinbase, minus a 25% commission. (b) Some Digital Currency networks subject staked assets to "slashing" if the transaction validator representing those assets incorrectly validates a transaction. Coinbase will use commercially reasonable efforts to ensure that your assets will not be slashed, but in the unlikely event they are, Coinbase will promptly replace your assets at no additional cost. Some Digital Currency networks require that a certain amount of staked assets be locked (restricted from sale or transfer) for a certain period of time while staking. Coinbase may also have additional sale or withdrawal limitations for particular staked assets if you are opted-in to staking.

5.4.3 No Guarantee of Rewards. You have no right to a reward until it is received by Coinbase. Rewards will be distributed to your account promptly after they are received by Coinbase. Unless otherwise stated, Coinbase will use commercially reasonable efforts to stake any Digital Currencies for which you are using Coinbase staking services. Unless otherwise specified, the "staking rewards rate" disclosed by Coinbase for a particular Digital Currency is an annualized historical rate based on the staking rewards generated by Coinbase in providing staking services to Coinbase customers for that Digital Currency over the last 90 days. This rate is an estimate and changes over time. COINBASE DOES NOT GUARANTEE THAT YOU WILL RECEIVE STAKING REWARDS, ANY SPECIFIC STAKING REWARD, OR ANY STAKING RETURN OVER TIME, INCLUDING THE STAKING REWARDS RATES.

5.4.4 Tax Treatment. The tax treatment of certain Digital Currency transactions is uncertain, and it is your responsibility to determine what taxes, if any, arise from these transactions. Users are solely responsible for reporting and paying any applicable taxes arising from staking through Coinbase staking services and all related transactions (e.g., any exchange or sale of your staked ETH), and acknowledge that Coinbase does not provide investment, legal, or tax advice to you in connection with such election to participate. You should conduct your own due diligence and consult your advisors before making any investment decision including whether to participate in staking and related transactions.

5.4.5 Ethereum Staking. Supplemental to the terms outlined above, the following terms apply to staking your ETH through the Coinbase staking services. In the event of a conflict between the terms contained in this section and anything else in this Agreement, the terms in this section will govern:

(a) Eligibility. Users who wish to stake ETH through Coinbase must meet certain requirements, as set forth [here](#). These requirements are subject to change.

(b) Lockup Period. If you choose to stake your ETH, your ETH will be pledged for staking and will become locked on the Ethereum protocol until Phase 1.5 of the Ethereum network upgrade is completed. Coinbase has no control over the duration of or end date for the lockup period, which will ultimately be determined by the success of the update to the Ethereum network. Unlike other staking services provided through Coinbase, you will be unable to "Opt Out" of ETH staking once you've staked your assets. Coinbase will not refund or replace any ETH you wish to unstake. Unless otherwise stated on the Coinbase interface, you will not be able to trade, transfer or otherwise access your staked ETH during the lockup period.

(c) No Guarantee of Success of Network Upgrade. Coinbase makes no guarantees that the upgrade to the Ethereum network will be successful, and you understand that if the network upgrade ultimately fails, you may lose all, or a portion of, your staked ETH. Coinbase will not be responsible for any ETH lost due to a network upgrade failure.

(d) Ethereum Staking Rewards. Any rewards earned while staking your ETH through Coinbase will, unless otherwise stated, remain locked onchain until Phase 1.5 of the Ethereum network upgrade is completed. ETH staking rewards reflected in your account prior to the completion of Phase 1.5 of the Ethereum network upgrade are an estimate based on a combination of reward rates and the period of time for which you've staked your ETH (minus any Coinbase fees). Rewards will be reflected in your account, but may not be actually credited until the end of the lockup period. Unless otherwise stated, you will not be able to trade, transfer, or otherwise access your ETH staking rewards during the lockup period.

(e) Slashing Penalties. Staking ETH means your staked assets can be subject to "slashing" by the Ethereum network if the transaction validator representing those assets incorrectly validates a transaction. Coinbase will use commercially reasonable efforts to protect against slashing incidents; however, in the event of slashing, Coinbase will replace your assets so long as such penalties are not a result of: i) protocol-level failures caused by bugs, maintenance, upgrades, or general failure; ii) your acts or omissions; iii) acts or omissions of any third party service provider; iv) a force majeure event as defined in Section 9.11 of the User Agreement; v) acts by a hacker or other malicious actor; or vi) any other events outside of Coinbase's reasonable control.

(f) Liquidity. Coinbase may offer you the ability to exchange or sell your staked ETH prior to the completion of Phase 1.5 of the Ethereum network upgrade. Coinbase does not guarantee that the offering of any such option will result in a successful exchange or sale, and Coinbase will not backstop or otherwise intervene to guarantee liquidity. In the event that you take advantage of any offered ability to exchange or sell your staked ETH, Coinbase does not guarantee the value of your ETH principal or related rewards. Accessing your locked ETH may result in a loss of any rewards accrued until that point. Coinbase is not responsible for any decrease in the value of your staked ETH principal or any rewards associated with allowing you the ability to exchange or sell your staked ETH.

5.5 Advanced Trading. Coinbase offers and you may access an order book for various Digital Currency and Fiat Currency trading pairs (each an "Order Book") on the Coinbase Site ("Advanced Trading"). See your Coinbase Account to see what Order Books are available within Advanced Trading. Coinbase does not offer Advanced Trading to customers in all jurisdictions. By accessing Advanced Trading or the Coinbase API for Advanced Trading, you accept and agree to be bound by the [Trading Rules](#).

5.6 Direct Deposit. If you are eligible for our Direct Deposit feature ("Direct Deposit"), and we have verified your required identifying information, you may arrange to have all or part of your paycheck or any eligible federal or state government benefit or payment (e.g., federal or state tax refunds or Social Security payments) transferred into your Coinbase Account by your employer or government payer, as applicable. You may select whether you want such funds to be transferred into your Coinbase Account as U.S. Dollars or a Digital Currency available for Direct Deposit. Not all Digital Currencies may be available for Direct Deposit.

5.6.1 Direct Deposit Enrollment. You can enroll by using our automated feature which links directly to your payroll provider or you can provide your employer, payroll provider or the government payer with the account and routing numbers we provide to you. We will also provide you with a direct deposit form that you may give to your employer by way of PDF file that can be saved or emailed to your personal email address or your human resources or payroll department. The account and routing numbers we provide to you do not represent a bank account on your behalf. Upon enrollment, you must select the amount of your paycheck you would like deposited to your Coinbase Account and select the currency you would like the amount deposited or converted to. We do not charge any fees to set up or maintain Direct Deposit and we will waive the Coinbase trading fee but will include a spread to exchange your Direct Deposit funds to a Digital Currency (see [pricing and fee disclosures](#) for more information). You are responsible for any fees associated with subsequent conversion or transfer of Digital Currencies.

5.6.2 Coinbase Card. In order to utilize Direct Deposit, you must have a Coinbase Visa Card ("Coinbase Card"). The Coinbase Card is governed by the Cardholder Agreement with MetaBank National Association ("MetaBank") and this User Agreement (see Appendix 5 for Coinbase Card User Terms which details how to use the card and the fees that apply for USD and Digital Currency transactions). If you do not already have a Coinbase Card, as part of the Direct Deposit application and enrollment process, you will automatically be considered for, and if approved, granted a Coinbase Card at no cost to you. The Coinbase Card is a debit card linked to your Digital Currency Wallet and USD Wallet.

5.6.3 Transfer Limits. You may not deposit more than \$10,000 per day using Direct Deposit. We reserve the right to accept, reject or limit transfers via Direct Deposit in our and MetaBank's sole discretion.

5.6.4 Funds Availability and Conversion. Funds added to your account via Direct Deposit are transferred to and held by MetaBank. The availability of your Direct Deposit funds is subject to the timing of your payer's funding processes. Funds transferred via Direct Deposit will typically be available 3-5 business days (excluding Federal holidays) from the day your payer initiated the deposit. Because we do not receive funds via Direct Deposit instantly, there will be some delay between the payment being initiated by the payer and the payment arriving in your Coinbase Account. There may also be a delay depending on the third party payroll provider.

If you elect to receive your Direct Deposit funds in the form of a Digital Currency, then upon confirmation from MetaBank that your funds have arrived, we will convert your funds from USD to your selected Digital Currency at the Exchange Rate at the time of such conversion and deposit into your Coinbase Account. You understand that your acquired Digital Currencies are exposed to exchange rate risk such that your Digital Currency holdings may either appreciate or depreciate in value relative to USD.

5.6.5 Cancellation of Direct Deposit. If you wish to cancel Direct Deposits, change your deposit allocation to 0% within your Coinbase Account management settings.

5.6.6 Transaction History. You may review your transaction history on the Coinbase Site to verify that each Direct Deposit has been received.

5.6.7 Personal Information. If you enroll in Direct Deposit, you will be required to provide certain personal information. You agree that we may share personal information you previously provided to us under our [Privacy Policy](#) to verify your identity or address, with MetaBank National Association ("MetaBank"), and with service providers acting on our behalf or on MetaBank's behalf solely to verify your identity or address, and/or to manage risk as required under applicable law. Personal information shared with MetaBank will be treated in accordance with its [Privacy Policy](#). Personal information that you direct us to share with a third-party for purposes of obtaining certain functionality in Direct Deposit will be treated in accordance with the third-party's privacy policy, and Coinbase is not liable for any damages, losses, or liability associated with the third-party's services or use, transfer, or storage of your personal information. If you do not provide this information, or if MetaBank is unable to verify your identity or address with the information provided by Coinbase, you may not be enrolled in Direct Deposit.

5.6.8. Breach of User Agreement. We reserve the right to refuse to facilitate the processing of your application through MetaBank or terminate your access to Direct Deposit for any reason.

5.6.9. Representations and Warranties. In order to assist in the prevention of fraud you represent and warrant the following in connection with your Direct Deposit:

- In connection with tax refunds (i) the name and Social Security Number associated with each refund payment will match the name and Social Security Number associated with your Coinbase Account; and (ii) in the case of joint tax returns, the name of the first person listed in the tax return and their Social Security Number associated with the refund payment will be the name and Social Security Number of the Coinbase Account holder.
- In connection with other federal payments, the name and Social Security Number associated with each payment will match the name or Social Security Number associated with your Coinbase Account.

6. Data Protection and Security

6.1. Personal Data. You acknowledge that we may process personal data in relation to you (if you are an individual), and personal data that you have provided or in the future provide to us in relation to your employees and other associated or other individuals, in connection with this Agreement, or the Coinbase Services. Accordingly, you represent and warrant that: (i) your disclosure to us of any personal data relating to individuals other than yourself was or will be made in accordance with all applicable data protection and data privacy laws, and those data are accurate, up to date and relevant when disclosed; (ii) before providing any such personal data to us, you have read and understood our Privacy Policy, which is available [here](#), and, in the case of personal data relating to an individual other than yourself, have (or will at the time of disclosure have) provided a copy of that [Privacy Policy](#) (as amended from time to time), to that individual; and (iii) if from time to time we provide you with a replacement version of the [Privacy Policy](#), you will promptly read that notice and provide a copy to any individual whose personal data you have provided to us.

6.2. Security Breach. If you suspect that your Coinbase Account or any of your security details have been compromised, or if you become aware of any fraud or attempted fraud or any other security incident (including a cyber-security attack) affecting you and / or Coinbase (together a "Security Breach"), you must notify Coinbase Support as soon as possible by email free of charge at <https://support.coinbase.com> or by calling us at +1 (888) 908 7930 and continue to provide accurate and up to date information throughout the duration of the Security Breach. You must take any steps that we reasonably require to reduce, manage or report any Security Breach. Failure to provide prompt notification of any Security Breach may be taken into account in our determination of the appropriate resolution of the matter.

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7. General Use, Prohibited Use, Death of Account Holder and Termination

7.1. Limited License. We grant you a limited, nonexclusive, nontransferable license, subject to the terms of this Agreement, to access and use the Coinbase Services, Coinbase Site, and related content, materials, information (collectively, the "Content") solely for purposes approved by Coinbase from time to time. Any other use of the Coinbase Site or Content is expressly prohibited and all other right, title, and interest in the Coinbase Services, Coinbase Site or Content is exclusively the property of Coinbase and its licensors. You agree you will not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit any of the Content, in whole or in part without the prior written consent of Coinbase. "Coinbase.com", "Coinbase", "Coinbase Pro", and all logos related to the Coinbase Services or displayed on the Coinbase Site are either trademarks or registered marks of Coinbase or its licensors. You may not copy, imitate or use them without Coinbase's prior written consent.

7.2. Website Accuracy. Although we intend to provide accurate and timely information on the Coinbase Site, the Coinbase Site (including, without limitation, the Content) may not always be entirely accurate, complete or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide you with as complete and accurate information as possible, information may be changed or updated from time to time without notice, including without limitation information regarding our policies, products and services. Accordingly, you should verify all information before relying on it, and all decisions based on information contained on the Coinbase Site are your sole responsibility and we shall have no liability for such decisions. Information provided by third parties, including historical price and supply data for Digital Currencies, is for informational purposes only and Coinbase makes no representations or warranties to its accuracy. Links to third-party materials (including without limitation websites) may be provided as a convenience but are not controlled by us. You acknowledge and agree that we are not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible or linked to the Coinbase Site.

7.3. Promotions. From time to time, Coinbase may make available special offers or conduct promotions for qualifying customers. Subject to applicable laws, Coinbase or the issuer of a Digital Currency subject to an offer or promotion may establish qualifying criteria to participate in any special promotion its sole discretion. Coinbase may revoke any special offer at any time without notice. Once Digital Currency has been deposited in a user's Digital Currency Wallet, that Digital Currency becomes the property of the Coinbase user with all applicable property rights, including those noted in Section 2.2 of this Agreement. Coinbase shall have no obligation to make special offers available to all customers. Coinbase makes no recommendation and does not provide any advice about the value or utility of any Digital Currency subject to a promotion.

7.3.1. New User Incentives. Coinbase's New User Incentives are available exclusively to new users who have not previously verified their ID. New User Incentives will appear in a new user's account following Coinbase's verification of such user's identification. Coinbase will verify a user's identification based on its internal guidelines and governing regulations, in its sole discretion. New User Incentives are subject to the user agreement and are not guaranteed, even upon successful verification of a user's identification. New users who were referred to Coinbase through the Referral Program or who have previously opened an account using different contact information are ineligible to receive New User Incentives. Coinbase may update the conditions for eligibility at any time, in its sole discretion.

7.4. Third-Party Applications. If, to the extent permitted by Coinbase from time to time, you grant express permission to a third party to access or connect to your Coinbase Account(s), either through the third party's product or service or through the Coinbase Site, you acknowledge that granting permission to a third party to take specific actions on your behalf does not relieve you of any of your responsibilities under this Agreement. You are fully responsible for all acts or omissions of any third party with access to your Coinbase Account(s). Further, you acknowledge and agree that you will not hold Coinbase responsible for, and will indemnify Coinbase from, any liability arising out of or related to any act or omission of any third party with access to your Coinbase Account(s). You may change or remove permissions granted by you to third parties with respect to your Coinbase Account(s) at any time through the tabs on the Account Settings page on the Coinbase Site.

7.5. Prohibited Use. In connection with your use of the Coinbase Services, and your interactions with other users, and third parties you agree and represent you will not engage in any [Prohibited Business or Prohibited Use](#) defined herein. We reserve the right at all times to monitor, review, retain and/or disclose any information as necessary to satisfy any applicable law, regulation, sanctions programs, legal process or governmental request. We reserve the right to cancel and/or suspend your Coinbase Account(s) and/or block transactions or freeze funds immediately and without notice if we determine, in our sole discretion, that your Account is associated with a Prohibited Use and/or a Prohibited Business.

7.6. Transaction Limits. The use of all Coinbase Services is subject to a limit on the amount of volume, stated in U.S. Dollar terms, you may transact or transfer in a given period (e.g., daily). To view your limits, login to your Coinbase Account(s) and visit <https://www.coinbase.com/verifications>. Your transaction limits may vary depending on your payment method, verification steps you have completed, and other factors. Coinbase reserves the right to change applicable limits as we deem necessary in our sole discretion. If you wish to raise your limits beyond the posted amounts, you may submit a request at <https://support.coinbase.com>. We may require you to submit additional information about yourself or your business, provide records, and arrange for meetings with Coinbase staff (such process, "Enhanced Due Diligence"). Coinbase reserves the right to charge you costs and fees associated with Enhanced Due Diligence, provided that we notify you in advance of any such charges accruing. In our sole discretion, we may refuse to raise your limits or we may lower your limits at a subsequent time even if you have completed Enhanced Due Diligence.

7.7. Suspension, Termination, and Cancellation. Coinbase may: (a) suspend, restrict, or terminate your access to any or all of the Coinbase Services, and/or (b) deactivate or cancel your Coinbase Account(s) if: (i) we are so required by a facially valid subpoena, court order, or binding order of a government authority; (ii) we reasonably suspect you of using your Coinbase Account(s) in connection with a [Prohibited Use or Business](#); (iii) use of your Coinbase Account(s) is subject to any pending litigation, investigation, or government proceeding and/or we perceive a heightened risk of legal or regulatory non-compliance associated with your Account activity; (iv) our service partners are unable to support your use; (v) you take any action that Coinbase deems as circumventing Coinbase's controls, including, but not limited to, opening multiple Coinbase Accounts or abusing promotions which Coinbase may offer from time to time; or (vi) you breach our [Behavior Policy](#).

If Coinbase suspends or closes your account, or terminates your use of Coinbase Services for any reason, we will provide you with notice of our actions unless a court order or other legal process prohibits Coinbase from providing you with such notice. You acknowledge that Coinbase's decision to take certain actions, including limiting access to, suspending, or closing your account, may be based on confidential criteria that are essential to Coinbase's risk management and security protocols. You agree that Coinbase is under no obligation to disclose the details of its risk management and security procedures to you.

You will be permitted to transfer Digital Currency or funds associated with your Hosted Digital Currency Wallet(s) and/or your USD Wallet(s) for ninety (90) days after Account deactivation or cancellation unless such transfer is otherwise prohibited (i) under the law, including but not limited to applicable sanctions programs, or (ii) by a facially valid subpoena or court order. You may cancel your Coinbase Account(s) at any time by withdrawing all balances and visiting <https://www.coinbase.com/settings/cancel>. You will not be charged for canceling your Coinbase Account(s), although you will be required to pay any outstanding amounts owed to Coinbase. You authorize us to cancel or suspend any pending transactions at the time of cancellation.

7.8. Death of Account Holder. For security reasons, if we receive legal documentation confirming your death or other information leading us to believe you have died, we will freeze your Coinbase Account and during this time, no transactions may be completed until: (i) your designated fiduciary has opened a new Coinbase Account, as further described below, and the entirety of your Coinbase Account has been transferred to such new account, or (ii) we have received proof in a form satisfactory to us that you have not died. If we have reason to believe you may have died but we do not have proof of your death in a form satisfactory to us, you authorize us to make inquiries, whether directly or through third parties, that we consider necessary to ascertain whether you have died. Upon receipt by us of proof satisfactory to us that you have died, the fiduciary you have designated in a valid Will or similar testamentary document will be required to open a new Coinbase Account. If you have not designated a fiduciary, then we reserve the right to (i) treat as your fiduciary any person entitled to inherit your Coinbase Account, as determined by us upon receipt and review of the documentation we, in our sole and absolute discretion, deem necessary or appropriate, including (but not limited to) a Will, a living trust or a Small Estate Affidavit, or (ii) require an order designating a fiduciary from a court having competent jurisdiction over your estate. In the event we determine, in our sole and absolute discretion, that there is uncertainty regarding the validity of the fiduciary designation, we reserve the right to require an order resolving such issue from a court of competent jurisdiction before taking any action relating to your Coinbase Account. Pursuant to the above, the opening of a new Coinbase Account by a designated fiduciary is mandatory following the death of a Coinbase Account owner, and you hereby agree that your fiduciary will be required to open a new Coinbase Account and provide the information required under Section 2 of this

7.9. Unclaimed Property. If Coinbase is holding funds (whether fiat currency or Digital Currency) in your account, and Coinbase is unable to contact you and has no record of your use of the Services for several years, applicable law may require Coinbase to report these funds (including fiat currency and Digital Currency) as unclaimed property to the applicable jurisdiction. If this occurs, Coinbase will try to locate you at the address shown in our records, but if Coinbase is unable to locate you, it may be required to deliver any such funds to the applicable state or jurisdiction as unclaimed property.

7.10. Relationship of the Parties. Coinbase is an independent contractor for all purposes. Nothing in this Agreement shall be deemed or is intended to be deemed, nor shall it cause, you and Coinbase to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either you or Coinbase to be treated as the agent of the other.

7.11. Privacy of Others; Marketing. If you receive information about another user through the Coinbase Services, you must keep the information confidential and only use it in connection with the Coinbase Services. You may not disclose or distribute a user's information to a third party or use the information except as reasonably necessary to effectuate a transaction and other functions reasonably incidental thereto such as support, reconciliation and accounting unless you receive the user's express consent to do so. You may not send unsolicited email to a user through the Coinbase Services.

7.12. Password Security; Contact Information. You are responsible for creating a strong password and maintaining adequate security and control of any and all IDs, passwords, hints, personal identification numbers (PINs), API keys or any other codes that you use to access the Coinbase Services. Any loss or compromise of the foregoing information and/or your personal information may result in unauthorized access to your Coinbase Account(s) by third-parties and the loss or theft of any Digital Currency and/or funds held in your Coinbase Account(s) and any associated accounts, including your linked bank account(s) and credit card(s). You are responsible for keeping your email address and telephone number up to date in your Account Profile in order to receive any notices or alerts that we may send you. **You should never allow remote access or share your computer screen with someone else when you are logged on to your Coinbase Account. Coinbase will never under any circumstances ask you for your IDs, passwords, or 2-factor authentication codes. We assume no responsibility for any loss that you may sustain due to compromise of account login credentials due to no fault of Coinbase and/or failure to follow or act on any notices or alerts that we may send to you.** In the event you believe your Coinbase Account(s) information has been compromised, contact Coinbase Support immediately at <https://support.coinbase.com>, or report your claim by phone at (888) 908-7930.

7.13. Developer Tools. If you use developer features of the Services, including but not limited to [Coinbase Connect \(OAuth2\)](#) and any other resources or services available at <https://developers.coinbase.com/> (the "Developer Services"), you must separately agree to our [Developer Agreement](#) upon registering your application with Coinbase.

7.14. Taxes. It is your sole responsibility to determine whether, and to what extent, any taxes apply to any transactions you conduct through the Coinbase Services, and to withhold, collect, report and remit the correct amounts of taxes to the appropriate tax authorities. Your transaction history is available through your Coinbase Account(s).

7.15. No Investment Advice or Brokerage. For the avoidance of doubt, Coinbase does not provide investment, tax, or legal advice, nor does Coinbase broker trades on your behalf. All Coinbase trades are executed automatically, based on the parameters of your order instructions and in accordance with posted Trade execution procedures, and you are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for you based on your personal investment objectives, financial circumstances and risk tolerance. You should consult your legal or tax professional regarding your specific situation. Coinbase may provide educational information about Supported Digital Currency, as well as Digital Currency not supported by Coinbase, in order to assist users in learning more about such Digital Currency. Information may include, but is not limited to, blog posts, articles, links to to third-party content, news feeds, tutorials, and videos. The information provided on this website or any third-party sites does not constitute investment advice, financial advice, trading advice, or any other sort of advice, and you should not treat any of the website's content as such. Coinbase does not recommend that any Digital Currency should be bought, earned, sold, or held by you. Before making the decision to buy, sell or hold any Digital Currency, you should conduct your own due diligence and consult your financial advisors before making any investment decision. Coinbase will not be held responsible for the decisions you make to buy, sell, or hold Digital Currency based on the information provided by Coinbase.

8. Customer Feedback, Queries, Complaints, and Dispute Resolution

8.1. Contact Coinbase. If you have feedback, or general questions, contact us via our Customer Support webpage at <https://support.coinbase.com>. When you contact us please provide us with your name, address, and any other information we may need to identify you, your Coinbase Account(s), and the transaction on which you have feedback or questions.

If you believe your account has been compromised, you may also report your claim by calling (888) 908-7930. Coinbase requires that all legal documents (including civil subpoenas, complaints, and small claims) be served on our registered agent for service of process. Current contact information for our registered agent in each state can be found [here](#).

Please note that our registered agent will accept service only if the entity identified as the recipient of the document is identical to the entity registered with the Secretary of State and for which our registered agent is authorized to accept service. By accepting service of a legal document, Coinbase does not waive any objections we may have and may raise in response to such document.

8.2. Formal Complaint Process. If you have a dispute with Coinbase (a "Complaint"), you agree to contact Coinbase through our support team to attempt to resolve any such dispute amicably. **If we cannot resolve the dispute through the Coinbase support team, you and we agree to use the Formal Complaint Process set forth below.** You agree to use this process before filing any arbitration claim or small claims action. If you do not follow the procedures set out in this Section before filing an arbitration claim or suit in small claims court, we shall have the right to ask the arbitrator or small claims court to dismiss your filing unless and until you complete the following steps.

8.2.1. Procedural Steps. In the event that your dispute with Coinbase is not resolved through your contact with Coinbase Support, you agree to use our Complaint form to describe your Complaint, how you would like us to resolve the Complaint, and any other information related to your dispute that you believe to be relevant. The Complaint form can be found on the Coinbase support pages, <https://support.coinbase.com> or can be requested from Coinbase Customer Support. If you would prefer to send a written complaint, please include as much information as possible, including your support case number and any other information related to your dispute that you believe to be relevant, and post to Coinbase Inc., 82 Nassau St #61234, New York, NY 10038

8.2.2. Coinbase Response. We will acknowledge receipt of your Complaint form after you submit it. A Coinbase customer relations agent ("Agent") will review your Complaint. The Agent will evaluate your Complaint based on the information you have provided and information in the possession of Coinbase. Within 15 business days of our receipt of your Complaint form, the Agent will address the issues raised in your Complaint form by sending you an e-mail ("Resolution Notice") in which the Agent will: (i) offer to resolve your complaint in the way you requested; (ii) make a determination rejecting your Complaint and set out the reasons for the rejection; or (iii) offer to resolve your Complaint with an alternative solution. In exceptional circumstances, if the Agent is unable to respond to your Complaint within 15 business days for reasons beyond Coinbase's control, the Agent will send you a communication indicating the reasons for any delay in answering your Complaint, and specifying the deadline by which the Agent will respond to your Complaint, which will be no later than 35 business days from our receipt of your Complaint form.

8.3. Arbitration; Waiver of Class Action. If we cannot resolve the dispute through the Formal Complaint Process, you and we agree that any dispute arising out of or relating to this Agreement or the Coinbase Services, including, without limitation, federal and state statutory claims, common law claims, and those based in contract, tort, fraud, misrepresentation, or any other legal theory, shall be resolved through binding arbitration, on an individual basis (the "Arbitration Agreement"). Subject to applicable jurisdictional requirements, you may elect to pursue your claim in your local small claims court rather than through arbitration so long as your matter remains in small claims court and proceeds only on an individual (non-class and non-representative) basis. Arbitration shall be conducted in accordance with the

This Arbitration Agreement includes, without limitation, disputes arising out of or related to the interpretation or application of the Arbitration Agreement, including the enforceability, revocability, scope, or validity of the Arbitration Agreement or any portion of the Arbitration Agreement. All such matters shall be decided by an arbitrator and not by a court or judge.

CLASS ACTION WAIVER: TO THE EXTENT PERMISSIBLE BY LAW, ALL CLAIMS MUST BE BROUGHT IN A PARTY'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE ACTION, OR REPRESENTATIVE PROCEEDING (COLLECTIVELY "CLASS ACTION WAIVER"). THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS OR ENGAGE IN ANY CLASS ARBITRATION. YOU ACKNOWLEDGE THAT, BY AGREEING TO THESE TERMS, YOU AND COINBASE ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION.

The arbitration will be conducted by a single, neutral arbitrator and shall take place in the county or parish in which you reside, or another mutually agreeable location, in the English language. The arbitrator may award any relief that a court of competent jurisdiction could award and the arbitral decision may be enforced in any court. An arbitrator's decision and judgment thereon will not have a precedential or collateral estoppel effect. At your request, hearings may be conducted in person or by telephone and the arbitrator may provide for submitting and determining motions on briefs, without oral hearings. To the extent permitted by law, the prevailing party in any action or proceeding to enforce this Agreement, any arbitration pursuant to this Agreement, or any small claims action shall be entitled to costs and attorneys' fees. If the arbitrator or arbitration administrator would impose filing fees or other administrative costs on you, we will reimburse you, upon request, to the extent such fees or costs would exceed those that you would otherwise have to pay if you were proceeding instead in a court. We will also pay additional fees or costs if required to do so by the arbitration administrator's rules or applicable law.

9. General Provisions

9.1. Computer Viruses. We shall not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses or other malicious code that may affect your computer or other equipment, or any phishing, spoofing or other attack. We advise the regular use of a reputable and readily available virus screening and prevention software. You should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks and should use care in reviewing messages purporting to originate from Coinbase. Always log into your Coinbase Account(s) through the Coinbase Site to review any transactions or required actions if you have any uncertainty regarding the authenticity of any communication or notice.

9.2. Release of Coinbase; Indemnification. If you have a dispute with one or more users of the Coinbase Services, you release Coinbase, its affiliates and service providers, and each of their respective officers, directors, agents, joint venturers, employees and representatives from any and all claims, demands and damages (actual and consequential) of every kind and nature arising out of or in any way connected with such disputes. You agree to indemnify and hold Coinbase, its affiliates and Service Providers, and each of its or their respective officers, directors, agents, joint venturers, employees and representatives, harmless from any claim or demand (including attorneys' fees and any fines, fees or penalties imposed by any regulatory authority) arising out of or related to your breach of this Agreement or your violation of any law, rule or regulation, or the rights of any third party.

9.3. Limitation of Liability; No Warranty. IN NO EVENT SHALL COINBASE, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES, BE LIABLE (A) FOR ANY AMOUNT GREATER THAN THE VALUE OF THE SUPPORTED DIGITAL CURRENCY ON DEPOSIT IN YOUR COINBASE ACCOUNT(S) OR (B) FOR ANY LOST PROFITS, DIMINUTION IN VALUE OR BUSINESS OPPORTUNITY, ANY LOSS, DAMAGE, CORRUPTION OR BREACH OF DATA OR ANY OTHER INTANGIBLE PROPERTY OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COINBASE SITE OR THE COINBASE SERVICES, OR THIS AGREEMENT, EVEN IF AN AUTHORIZED REPRESENTATIVE OF COINBASE HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE, EXCEPT TO THE EXTENT OF A FINAL JUDICIAL DETERMINATION THAT SUCH DAMAGES WERE A RESULT OF COINBASE'S GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR INTENTIONAL VIOLATION OF LAW. THIS MEANS, BY WAY OF EXAMPLE ONLY (AND WITHOUT LIMITING THE SCOPE OF THE PRECEDING SENTENCE), THAT IF YOU CLAIM THAT COINBASE FAILED TO PROCESS A BUY OR SELL TRANSACTION PROPERLY, YOUR DAMAGES ARE LIMITED TO NO MORE THAN THE VALUE OF THE SUPPORTED DIGITAL CURRENCY AT ISSUE IN THE TRANSACTION, AND THAT YOU MAY NOT RECOVER FOR LOST PROFITS, LOST BUSINESS OPPORTUNITIES, DIMINUTION IN VALUE OR OTHER TYPES OF SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES IN EXCESS OF THE VALUE OF THE SUPPORTED DIGITAL CURRENCY AT ISSUE IN THE TRANSACTION. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

THE COINBASE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COINBASE SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND/OR NON-INFRINGEMENT. COINBASE DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE SITE, ANY PART OF THE COINBASE SERVICES, OR ANY OF THE MATERIALS CONTAINED THEREIN, WILL BE CONTINUOUS, UNINTERRUPTED, TIMELY, OR ERROR-FREE. COINBASE DOES NOT GUARANTEE THAT ANY ORDER WILL BE EXECUTED, ACCEPTED, RECORDED OR REMAIN OPEN. EXCEPT FOR THE EXPRESS STATEMENTS SET FORTH IN THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT RELIED UPON ANY OTHER STATEMENT OR UNDERSTANDING, WHETHER WRITTEN OR ORAL, WITH RESPECT TO YOUR USE AND ACCESS OF THE COINBASE SERVICES AND COINBASE SITE. WITHOUT LIMITING THE FOREGOING, YOU HEREBY UNDERSTAND AND AGREE THAT COINBASE WILL NOT BE LIABLE FOR ANY LOSSES OR DAMAGES ARISING OUT OF OR RELATING TO: (A) ANY INACCURACY, DEFECT OR OMISSION OF DIGITAL CURRENCY PRICE DATA, (B) ANY ERROR OR DELAY IN THE TRANSMISSION OF SUCH DATA, OR (C) INTERRUPTION IN ANY SUCH DATA.

Coinbase makes no representations about the accuracy, order, timeliness or completeness of historical Digital Currency price data available on the Coinbase Site. Coinbase will make reasonable efforts to ensure that requests for electronic debits and credits involving bank accounts, credit cards, and check issuances are processed in a timely manner but Coinbase makes no representations or warranties regarding the amount of time needed to complete processing which is dependent upon many factors outside of our control.

IF YOU ARE A NEW JERSEY RESIDENT, the provisions of this Section 9.3 are intended to apply only to the extent permitted under New Jersey law.

9.4. Entire Agreement. This Agreement, the Privacy Policy, E-Sign Consent, and Appendices incorporated by reference herein comprise the entire understanding and agreement between you and Coinbase as to the subject matter hereof, and supersedes any and all prior discussions, agreements and understandings of any kind (including without limitation any prior versions of this Agreement), and every nature between and among you and Coinbase. Section headings in this Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Agreement.

9.5. Amendments. We may amend or modify this Agreement by posting on the Coinbase Site or emailing to you the revised Agreement, and the revised Agreement shall be effective at such time. If you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of the Services and close your account. You agree that we shall not be liable to you or any third party for any modification or termination of the Coinbase Services, or suspension or termination of your access to the Coinbase Services, except to the extent otherwise expressly set forth herein. If the revised Agreement includes a material change, we will endeavor to provide you advanced notice via our website and/or email before the material change becomes effective.

9.6. Assignment. You may not assign any rights and/or licenses granted under this Agreement. We reserve the right to assign our rights without restriction, including without limitation to any Coinbase affiliates or subsidiaries, or to any successor in interest of any business associated with the Coinbase Services. Any attempted transfer or assignment in violation hereof shall be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their successors and permitted assigns.

9.7. Severability. If any provision of this Agreement shall be determined to be invalid or unenforceable under any rule, law, or

9.8. Change of Control. In the event that Coinbase is acquired by or merged with a third party entity, we reserve the right, in any of these circumstances, to transfer or assign the information we have collected from you as part of such merger, acquisition, sale, or other change of control.

9.9. Survival. All provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including, without limitation, sections pertaining to suspension or termination, Coinbase Account cancellation, debts owed to Coinbase, general use of the Coinbase Site, disputes with Coinbase, and general provisions, shall survive the termination or expiration of this Agreement.

9.10. Governing Law. You agree that the laws of the State of California, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between you and Coinbase, except to the extent governed by federal law.

9.11. Force Majeure. We shall not be liable for delays, failure in performance or interruption of service which result directly or indirectly from any cause or condition beyond our reasonable control, including but not limited to, significant market volatility, any delay or failure due to any act of God, act of civil or military authorities, act of terrorists, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophe or any other occurrence which is beyond our reasonable control and shall not affect the validity and enforceability of any remaining provisions.

9.12. Non-Waiver of Rights. This agreement shall not be construed to waive rights that cannot be waived under applicable state money transmission laws in the state where you are located.

APPENDIX 1: Prohibited Use, Prohibited Businesses and Conditional Use

Prohibited Use

You may not use your Coinbase Account(s) to engage in the following categories of activity ("Prohibited Uses"). The specific types of use listed below are representative, but not exhaustive. If you are uncertain as to whether or not your use of Coinbase Services involves a Prohibited Use, or have questions about how these requirements apply to you, please contact us at <https://support.coinbase.com>. By opening a Coinbase Account, you confirm that you will not use your Account to do any of the following:

- **Unlawful Activity:** Activity which would violate, or assist in violation of, any law, statute, ordinance, or regulation, sanctions programs administered in the countries where Coinbase conducts business, including but not limited to the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), or which would involve proceeds of any unlawful activity; publish, distribute or disseminate any unlawful material or information
- **Abusive Activity:** Actions which impose an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information; transmit or upload any material to the Coinbase Site that contains viruses, trojan horses, worms, or any other harmful or deleterious programs; attempt to gain unauthorized access to the Coinbase Site, other Coinbase Accounts, computer systems or networks connected to the Coinbase Site, through password mining or any other means; use Coinbase Account information of another party to access or use the Coinbase Site, except in the case of specific Merchants and/or applications which are specifically authorized by a user to access such user's Coinbase Account and information; or transfer your account access or rights to your account to a third party, unless by operation of law or with the express permission of Coinbase.
- **Abuse Other Users:** Interfere with another individual's or entity's access to or use of any Coinbase Services; defame, abuse, extort, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as, but not limited to, rights of privacy, publicity and intellectual property) of others; harvest or otherwise collect information from the Coinbase Site about others, including without limitation email addresses, without proper consent
- **Fraud:** Activity which operates to defraud Coinbase, Coinbase users, or any other person; provide any false, inaccurate, or misleading information to Coinbase
- **Unlawful Gambling:** Lotteries; bidding fee auctions; sports forecasting or odds making; fantasy sports leagues with cash prizes; internet gaming; contests; sweepstakes; or games of chance that are not sanctioned by a governmental body or regulatory authority
- **Intellectual Property Infringement:** Engage in transactions involving items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the law, including but not limited to sales, distribution, or access to counterfeit music, movies, software, or other licensed materials without the appropriate authorization from the rights holder; use of Coinbase intellectual property, name, or logo, including use of Coinbase trade or service marks, without express consent from Coinbase or in a manner that otherwise harms Coinbase or the Coinbase brand; any action that implies an untrue endorsement by or affiliation with Coinbase

Prohibited Businesses

In addition to the Prohibited Uses described above, the following categories of businesses, business practices, and sale items are barred from Coinbase Services ("Prohibited Businesses"). Most Prohibited Businesses categories are imposed by Card Network rules or the requirements of our banking providers or processors. The specific types of use listed below are representative, but not exhaustive. If you are uncertain as to whether or not your use of Coinbase Services involves a Prohibited Business, or have questions about how these requirements apply to you, please contact us at <https://support.coinbase.com>.

By opening a Coinbase Account, you confirm that you will not use Coinbase Services in connection with any of following businesses, activities, practices, or items:

- **Investment and Credit Services:** Securities brokers; mortgage consulting or debt reduction services; credit counseling or repair; real estate opportunities; investment schemes
- **Restricted Financial Services:** Check cashing, bail bonds; collections agencies.
- **Intellectual Property or Proprietary Rights Infringement:** Sales, distribution, or access to counterfeit music, movies, software, or other licensed materials without the appropriate authorization from the rights holder
- **Counterfeit or Unauthorized Goods:** Unauthorized sale or resale of brand name or designer products or services; sale of goods or services that are illegally imported or exported or which are stolen

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- **Regulated Products and Services:** Marijuana dispensaries and related businesses; sale of tobacco, e-cigarettes, and e-liquid; online prescription or pharmaceutical services; age restricted goods or services; weapons and munitions; gunpowder and other explosives; fireworks and related goods; toxic, flammable, and radioactive materials; products and services with varying legal status on a state-by-state basis
- **Drugs and Drug Paraphernalia:** Sale of narcotics, controlled substances, and any equipment designed for making or using drugs, such as bongs, vaporizers, and hookahs
- **Pseudo-Pharmaceuticals:** Pharmaceuticals and other products that make health claims that have not been approved or verified by the applicable local and/or national regulatory body
- **Substances designed to mimic illegal drugs:** Sale of a legal substance that provides the same effect as an illegal drug (e.g., salvia, kratom)
- **Adult Content and Services:** Pornography and other obscene materials (including literature, imagery and other media); sites offering any sexually-related services such as prostitution, escorts, pay-per view, adult live chat features
- **Multi-level Marketing:** Pyramid schemes, network marketing, and referral marketing programs
- **Unfair, predatory or deceptive practices:** Investment opportunities or other services that promise high rewards; Sale or resale of a service without added benefit to the buyer; resale of government offerings without authorization or added value; sites that we determine in our sole discretion to be unfair, deceptive, or predatory towards consumers
- **High risk businesses:** any businesses that we believe poses elevated financial risk, legal liability, or violates card network or bank policies

Conditional Use

Express written consent and approval from Coinbase must be obtained prior to using Coinbase Services for the following categories of business and/or use ("Conditional Uses"). Consent may be requested by contacting us at <https://support.coinbase.com>. Coinbase may also require you to agree to additional conditions, make supplemental representations and warranties, complete enhanced onboarding procedures, and operate subject to restrictions if you use Coinbase Services in connection with any of following businesses, activities, or practices:

- **Money Services:** Money transmitters, Digital Currency transmitters; currency or Digital Currency exchanges or dealers; gift cards; prepaid cards; sale of in-game currency unless the merchant is the operator of the virtual world; act as a payment intermediary or aggregator or otherwise resell any of the Coinbase Services
- **Charities:** Acceptance of donations for nonprofit enterprise
- **Games of Skill:** Games which are not defined as gambling under this Agreement or by law, but which require an entry fee and award a prize
- **Religious/Spiritual Organizations:** Operation of a for-profit religious or spiritual organization

APPENDIX 2: Verification Procedures and Limits

As a regulated financial service company operating in the US we are required to identify users on our platform. This ensures we remain in compliance with KYC/AML laws in the jurisdictions in which we operate, something that is necessary for us to be able to continue to offer digital currency exchange services to our customers. Coinbase collects and verifies information about you in order to: (a) protect Coinbase and the community from fraudulent users, and (b) to keep appropriate records of Coinbase's customers. Your daily or weekly Conversion limits, Coinbase Pro deposit, withdrawal and trading limits, Instant Buy limits, USD Wallet transfer limits, and limits on transactions from a linked payment method are based on the identifying information and/or proof of identity you provide to Coinbase.

All U.S. customers who wish to use Coinbase Services are required to establish a Coinbase Account by:

- Providing your name and valid email address, a password and your state of residence,
- Certifying that you are 18 years or older,
- Accepting User Agreement and Privacy Policy, and
- Verifying your identity by submitting the following information:
 - Name
 - DOB
 - Physical address
 - SSN (or ID # from gov't issued ID)
 - Source of funds
 - Income/employment information (US only)
 - Explanation of activity (US only)

All U.S. customers who wish to send and received Digital Currency on to the blockchain are required to:

- Submit a copy of an acceptable form of identification (i.e. passport, state driver's license, or state identification card), and
- Submit a picture of yourself or a selfie from your webcam or mobile phone.

Notwithstanding these minimum verification procedures for the referenced Coinbase Services, Coinbase may require you to provide or verify additional information, or to wait some amount of time after completion of a transaction, before permitting you to use any Coinbase Services and/or before permitting you to engage in transactions beyond certain volume limits. You may determine the

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You may contact us at <https://support.coinbase.com> to request larger limits. Coinbase will require you to submit to Enhanced Due Diligence. Additional fees and costs may apply, and Coinbase does not guarantee that we will raise your limits.

APPENDIX 3: E-Sign Disclosure and Consent

This policy describes how Coinbase delivers communications to you electronically. We may amend this policy at any time by providing a revised version on our website. The revised version will be effective at the time we post it. We will provide you with prior notice of any material changes via our website.

Electronic Delivery of Communications

You agree and consent to receive electronically all communications, agreements, documents, notices and disclosures (collectively, "Communications") that we provide in connection with your Coinbase Account(s) and your use of Coinbase Services. Communications include:

- Terms of use and policies you agree to (e.g., the Coinbase User Agreement and Privacy Policy), including updates to these agreements or policies;
- Account details, history, transaction receipts, confirmations, and any other Account or transaction information;
- Legal, regulatory, and tax disclosures or statements we may be required to make available to you; and
- Responses to claims or customer support inquiries filed in connection with your Account.

We will provide these Communications to you by posting them on the Coinbase website, emailing them to you at the primary email address listed in your Coinbase profile, communicating to you via instant chat, and/or through other electronic communication such as text message or mobile push notification.

Hardware and Software Requirements

In order to access and retain electronic Communications, you will need the following computer hardware and software:

- A device with an Internet connection;
- A current web browser that includes 128-bit encryption (e.g. Internet Explorer version 9.0 and above, Firefox version 3.6 and above, Chrome version 31.0 and above, or Safari 7.0 and above) with cookies enabled;
- A valid email address (your primary email address on file with Coinbase); and
- Sufficient storage space to save past Communications or an installed printer to print them.

How to Withdraw Your Consent

You may withdraw your consent to receive Communications electronically by contacting us at <https://support.coinbase.com>. If you fail to provide or if you withdraw your consent to receive Communications electronically, Coinbase reserves the right to immediately close your Account or charge you additional fees for paper copies.

Updating your Information

It is your responsibility to provide us with a true, accurate and complete e-mail address and your contact information, and to keep such information up to date. You understand and agree that if Coinbase sends you an electronic Communication but you do not receive it because your primary email address on file is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive electronic Communications, Coinbase will be deemed to have provided the Communication to you.

You may update your information by logging into your account and visiting settings or by contacting our support team at <https://support.coinbase.com>.

APPENDIX 4: State License Disclosures

Coinbase maintains licenses to engage in money transmission activities in many states, and these licenses may impact our provision and your use of certain Coinbase Services depending on where you live. Coinbase's licenses and corresponding required disclosures can be found on the [Coinbase Licenses](#) page, which is incorporated by reference.

If you live in the following jurisdictions, we are required to provide you with the following information:

Alaska Please note that this license does not cover the transmission of virtual currency.

For Alaska Residents Only: If your issue is unresolved by Coinbase, Inc. & 1-888-908-7930, please submit formal complaints with the State of Alaska, Division of Banking & Securities. Formal complaints must be in writing, please download the form here: <https://www.commerce.alaska.gov/web/portals/3/pub/DBSGeneralComplaintFormupdated.pdf>

Formal complaint forms may be submitted via: 1. Fax: 907-465-1230 2. Email: msb_licensing@alaska.gov 3. Mail: Division of Banking & Securities PO Box 110807 Juneau, AK 99811-0807

If you have questions regarding formal complaints, please call 907-465-2521

Colorado Colorado State Banking Commissioner

CUSTOMER NOTICE Entities other than FDIC insured financial institutions that conduct money transmission activities in Colorado, including the sale of money orders, transfer of funds, and other instruments for the payment of money or credit, are required to be licensed by the Colorado Division of Banking pursuant to the Money Transmitters Act, Title 11, Article 110, Colorado Revised Statutes.

If you have a Question about or Problem with YOUR TRANSACTION - THE MONEY YOU SENT You must contact the Money Transmitter who processed your transaction for assistance. The Division of Banking does not have access to this information.

If you are a Colorado Resident and have a Complaint about THE MONEY TRANSMITTER - THE COMPANY THAT SENT YOUR MONEY ALL complaints must be submitted in writing. Please fill out the Complaint Form provided on the Colorado Division of Banking's website and return it and any documentation supporting the complaint via mail or email to the Division of Banking at:

Colorado Division of Banking 1560 Broadway, Suite 975 Denver, CO 80202 email: DORA_BankingWebsite@state.co.us website: www.dora.colorado.gov/dob

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Colorado Customer Notice (MO7)

Florida If you have a question or complaint, please contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or 1-888-908-7930.

Florida residents may contact the Florida Office of Financial Regulation with any unresolved questions or complaints about Coinbase, Inc. at 200 E. Gaines Street, Tallahassee, FL 32399-0376, telephone number: (850) 487-9687 (toll free).

Illinois Illinois residents may contact the Illinois Department of Financial Institutions, Consumer Credit Section with any unresolved questions or complaints about Coinbase, Inc. at (888) 473-4858 (toll-free).

Louisiana Please note the license issued to Coinbase by the Louisiana Office of Financial Institutions does not cover the exchange or transmission of virtual currency.'

Maryland The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints from Maryland residents regarding Coinbase, Inc. (License No. 12-1163082 and NMLS ID: 1163082) by contacting the Commissioner's office at: 500 North Calvert Street, Suite 402, Baltimore, Maryland 21202, or (888) 784-0136.

Nevada Coinbase, Inc. is licensed by the Nevada Department of Business and Industry as a money transmitter. At this time, the Nevada Department of Business and Industry does not license or regulate services related to virtual currency, including but not limited to virtual currency transmission or exchange which may be conducted by Coinbase.

New York Please note the following disclosures associated with virtual currency:

- Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.
- Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency.
- Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.
- Some virtual currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.
- The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear.
- There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future.
- The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time.
- The nature of virtual currency may lead to an increased risk of fraud or cyber attack.
- The nature of virtual currency means that any technological difficulties experienced by Coinbase may prevent the access or use of a customer's virtual currency.
- Any bond or trust account maintained by Coinbase for the benefit of its customers may not be sufficient to cover all losses incurred by customers.

Coinbase, Inc., is regulated and licensed as a money transmitter by the New York State Department of Financial Services. If you have a question or complaint, please contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or 1-888-908-7930.

For unresolved complaints, you may mail a complaint to Coinbase Inc., 82 Nassau St #61234, New York, NY 10038

Tennessee Please note that this license and the required surety bond do not cover the transmission of virtual currency. Coinbase is licensed by the Tennessee Department of Financial Institutions as a money transmitter. The Tennessee Department of Financial Institutions does not regulate virtual currency.

Texas If you have a complaint, first contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or (888) 908-7930. If you still have an unresolved complaint regarding the company's money transmission or currency exchange activity, please direct your complaint to: Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, 1-877-276-5554 (toll free), www.dob.texas.gov.

Virginia Coinbase, Inc. is licensed by the Virginia State Corporation Commission as a money transmitter, but such license does not cover the transmission of virtual currency (Bitcoin).

Washington Please note the following disclosures associated with virtual currency: If you have a complaint, first contact the consumer assistance division of <https://support.coinbase.com> or 1-888-908-7930, and if you still have an unresolved complaint regarding the company's money transmission activity, please contact the Washington State Department of Financial Institutions, Division of Consumer Services using one of the following methods: File a complaint online, mail or fax: <https://dfi.wa.gov/consumers/loan-complaints>. Call us: 1-877-RING DFI (1-877-746-4334). Email us: CSenforceComplaints@dfi.wa.gov.

Fraudulent transactions may result in loss of their money with no recourse. A description of the pricing and fees for transactions can be found in Section 3.3 above and on our Pricing and Fees page. Information about how your Coinbase Account funds are insured can be found on our Insurance Help Page. The nature of virtual currency may lead to an increased risk of fraud or cyber attack and virtual currency may be irretrievably stolen. The transfer of Digital Currency is irrevocable with the exception of a Future Transaction.

If you believe you did not authorize a particular transaction or that a transaction was incorrectly carried out, you must contact us as soon as possible either by email free of charge at <https://support.coinbase.com> or by phone at +1 (888) 908-7930 (international call charges may apply). For more information can be found in Section 3.7 above.

Appendix 5: Using Your Coinbase Card

1. Coinbase Card. When you hold Fiat Currency denominated in U.S. Dollars (USD) or Digital Currency on Coinbase you may be given the option to apply for a Coinbase Visa Card ("Card") issued by MetaBank National Association ("MetaBank"). To use the Card, you must agree to the terms ("Terms") set out below and to the Coinbase Card Cardholder Agreement with MetaBank ("Cardholder Agreement").

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1.1. Role of the Terms. These terms govern the basic terms on which Coinbase will provide you with the Card and your use of the Card, including within the Coinbase Site. The Card is issued to you by MetaBank and should be read in conjunction with the Cardholder Agreement and this [User Agreement](#).

1.2. Role of the Card. The Card can be used to purchase goods and services from merchants at point of sale terminals, over the telephone, online, or on payment platforms, or withdraw cash from automated teller machines ("ATMs") that accept Visa cards ("Card Transactions"). The Card account at MetaBank ("Card Account") will be linked to your USD Wallet and Digital Currency Wallet. You will be required to elect USD in your USD Wallet or a Digital Currency in your Digital Currency Wallet as your default spending currency ("Preferred Spending Currency") before you can use your Card and you can update your Preferred Spending Currency at any time.

1.2.1 Funding your Card Account with Direct Deposit. If you are eligible and we have verified your required identifying information, you may fund your Card Account with Direct Deposit. Please see the Direct Deposit terms in Section 3.1.1 under Part. 1 General Use of this User Agreement.

1.3. Card Services. Pursuant to the terms of your Cardholder Agreement, you may use the Card to make various Card Transactions.

1.4. Digital Currency as Preferred Spending Currency. When you select a Digital Currency as your Preferred Spending Currency and use your Card, you authorize Coinbase to facilitate your sale of your Digital Currency, the proceeds of which you authorize Coinbase to use to fund Card Transactions in USD.

1.4.1. Role of Coinbase. Coinbase is responsible for facilitating your sale of your Preferred Digital Currency ("Digital Currency Services") when applicable, to other Coinbase Customers and transferring funds to your Card Account to enable payments to merchants for the purchase of goods and services, and to you for ATM withdrawals, in USD in the amount authorized by the Card Transaction (the "Purchase Price").

1.4.2. When you select a Digital Currency as your Preferred Spending Currency and use your Card to make a Card Transaction, you authorize the:

1.4.2.1. Sale of your Preferred Digital Currency in the amount of the Purchase Price plus the accompanying fees and charges described in the Cardholder Agreement and Section 1.11 of these Terms and Section 3.3 of this User Agreement (together, the "Total Purchase Price") and converted at the prevailing trading rate on Coinbase's trading platform ("Exchange Rate") (the "Total Transaction Price") from your Digital Currency Wallet; and

1.4.2.2. Transfer of the Total Purchase Price in Fiat Currency from your Coinbase USD Wallet to the Card Account so that MetaBank can facilitate the transfer of: (i) the Purchase Price to the merchant (i.e., for the purchase of goods and services) or to you (i.e., for ATM withdrawals), and (ii) any fees and charges described in the Cardholder Agreement, except for any fees and charges described in this User Agreement via the Visa Card Scheme ("Card Scheme").

1.5. Applying for the Card. If you apply for a Card, you will be required to provide certain personal information. You agree that we may share personal information you previously provided to us under our [Privacy Policy](#), to verify your identity, with MetaBank and with service providers acting on our behalf or on MetaBank's behalf solely to verify your identity or address, and/or to manage risk as required under applicable law. Personal information shared with MetaBank will be treated in accordance with its [Privacy Policy](#). If you do not provide this information, or if MetaBank is unable to verify your identity with the information provided by Coinbase, your application for a Card will not be considered. We may refuse to facilitate processing of your application through MetaBank if we determine in our sole discretion that you are in breach of the terms of the User Agreement.

1.6. Activating the Card. You must sign a physical Card as soon as you receive it and must activate the Card to be able to use it. Activation instructions are set out on the packaging that the Card is attached to and within the Coinbase Site. A virtual Card can be used immediately upon receipt and does not need to be activated.

1.7. Using the Card.

1.7.1. You agree that you will use the Card in accordance with these Terms, this User Agreement, and the Cardholder Agreement.

1.7.2. Your consent will be required in order to use the Card to make a Card Transaction. You may give your consent in the following ways depending on the type of Card Transaction that you are trying to make and the information required by the merchant or ATM:

1.7.2.1. Purchase of goods and services from a merchant on the merchant's premises from a point of sale terminal or withdrawing cash from an ATM: You may be required to enter the personal identification number ("PIN") that we will arrange for you to receive from MetaBank (or that you may choose) from time to time unless the Card Transaction is being made via a contactless card reader in which case the presentation of the Card will be sufficient to demonstrate consent.

1.7.2.2. Purchase of goods and services from a merchant by telephone, online, or on a payments platform: You may be required to provide Card details such as the Card number, expiration date, and three digit security code from the reverse side of the Card.

1.8. Errors or Unauthorized Transactions. If you believe your Card has been lost or stolen, or that an error or unauthorized transaction has occurred, you should contact Coinbase Customer Service immediately by phone at 1-888-908-7930 or email at card@coinbase.com. Coinbase will not be liable for unauthorized transactions. See Section 3 of the Cardholder Agreement for more information regarding your liability for unauthorized transactions. See Section 8 of the Cardholder Agreement for information regarding Error Resolution.

1.9. Maximum Execution Time. The maximum execution time of the Card Transaction itself is dependent on actions being taken by the merchant, ATM owner, Card Scheme and/or other service providers. Coinbase will use commercially reasonable endeavors to comply with and adhere to the Card Scheme's settlement timing requirements.

1.10. Usage Limits. The usage limits for the Card are set out in Section 4 of your Cardholder Agreement.

1.11. Fees and Charges. When we perform the Digital Currency Services, Coinbase will charge fees and other charges, including spread, in accordance with this User Agreement. You can find a list of our fees and charges on our [Pricing and Fees Disclosures page](#). These fees and charges apply in addition to any fees and charges included in your Cardholder Agreement. You are at all times responsible for the Total Purchase Price in Fiat Currency and the Total Transaction Price in Digital Currency when you make a Card Transaction.

1.12. Refunds. If you are entitled to a refund for any reason for goods or services obtained with your Card, the refund shall be processed in accordance with the terms set out in Section 9(b) of your Cardholder Agreement. Once a refund has been posted by the merchant, we will arrange for it to be refunded to your USD Wallet in Fiat Currency.

1.13. Right to Charge Exchange Rates for Hold Returns. If your Card Transaction is subject to a preauthorization hold as described in Section 7(f) of your Cardholder Agreement, once the amount of the Total Purchase Price is received, we will arrange for any remaining amount to be refunded to your USD Wallet or Digital Currency Wallet (as applicable) in your Preferred Spending Currency, which shall be calculated using the Exchange Rate applicable at the time of refund.

1.14. Information Regarding Card Transactions. You may find details regarding Card Transactions that you have executed in the Coinbase Card portal of the Coinbase Site ("Coinbase Card Portal").

1.15. Rewards Program. Your Card will be automatically enrolled in our digital assets rewards program ("Rewards Program") upon activation. You will then be able to opt-in to the Rewards Program by electing a digital asset from a range of digital assets that we may offer from time to time ("Preferred Digital Asset"). You will then be eligible to earn that Preferred Digital Asset in

return for Card Transactions ("Reward") except for cash withdrawals. The amount of the Reward for a Card Transaction is calculated by multiplying the Purchase Price by the applicable Rewards Percentage which will be published within the Coinbase Card Portal from time to time. This amount will be deposited into your Digital Currency Wallet in your Preferred Digital Asset. Earned and

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redeemed Rewards will be reflected on your Card Transaction log. Your participation in the Rewards Program may result in you receiving miscellaneous income from Coinbase for tax purposes and we may be required to send you, and file with the IRS, tax forms for the year in which you participate and are awarded the benefits of the Rewards Program. You are responsible for learning about and paying any federal, state or local taxes that may apply to earning rewards. Please consult your tax advisor if you have any questions about your personal tax situation.

1.16. Exceptions to Rewards Program. We accept no responsibility for the goods or services purchased by you with your Card. All such disputes must be addressed directly with the merchant providing the relevant goods or services. If you receive a return, credit, or chargeback related to a Card Transaction from a merchant for any good or service and we have provided you with a Reward for that Card Transaction, we will be entitled to debit your Digital Currency Wallet the amount of the original Reward using the Exchange Rate applicable at the time of the Card Transaction. Upon the commencement of any proceedings by or against you under any bankruptcy or insolvency law, Rewards cannot be redeemed. We reserve the right to alter, change and/or terminate the Rewards Program, at any time and for any reason, which may result in the cancellation of unredeemed Rewards, upon written (including electronic) notice to you. In addition, we reserve the right to immediately disqualify you from the Rewards Program if you have violated these Terms or if you have, in our determination, misused the Rewards Program.

1.17. Right to Debit, Access, or Offset Other Coinbase Services. If for any reason you have insufficient Fiat Currency in your USD Wallet or insufficient Digital Currency in the relevant Digital Currency Wallet selected to fund a Card Transaction, we reserve the right to debit, access, or offset the amount of all or part of the Card Transaction from any other Coinbase Service that you obtain from us, including but not limited to any USD or Digital Currency you hold today, or in the future, in any USD Wallet, Digital Currency Wallet, or in connection with any other Coinbase Services. This includes situations where Coinbase has granted you provisional credit in USD or Digital Currency in connection with a disputed Card Transaction that is later resolved in favor of the opposing party.

1.18. Restriction, Suspension, and Termination. Card Transactions or your Card use may be restricted, suspended or terminated with immediate effect in situations where:

1.18.1. We are, in our reasonable opinion, required to do so by contract or by applicable law or any court or other authority to which we are subject in any jurisdiction;

1.18.2. We reasonably suspect you of acting in breach of these Terms (including any provision of this User Agreement), or the Cardholder Agreement;

1.18.3. We have concerns that a Card Transaction is erroneous or about the security of your Card or your Coinbase Account or we suspect the Coinbase Services are being used in a fraudulent or unauthorized manner;

1.18.4. We suspect money laundering, terrorist financing, fraud, or any other financial crime;

1.18.5. If your credit or debit card or any other valid payment method linked to your USD Wallet or Digital Currency Wallet is declined;

1.18.6. Use of your Coinbase Account is subject to any pending litigation, investigation, or government proceeding and/or we perceive a heightened risk of legal or regulatory non-compliance associated with your Coinbase Account activity; or

1.18.7. You have insufficient USD in your USD Wallet or insufficient Digital Currency in your Digital Currency Wallet to cover the Total Transaction Price of a relevant Card Transaction.

If Card Transactions, your Card use and/or any or all Coinbase Services are restricted, suspended or terminated in this way, we will (unless it would be unlawful for us to do so), provide you with notice of our actions and the reasons for refusal, restriction, suspension, or termination where appropriate, with the procedure for correcting any factual errors that led to the refusal, suspension or termination. In the event that we decline a card transaction and/or restrict, suspend, or terminate your use of the Card and any/or any or all Coinbase Services, we will reinstate the Card Transaction and/or lift the restriction, suspension, or termination as soon as reasonably practicable once the reasons for decline and/or restriction, suspension, or termination cease to exist.

1.19. These Terms and the Cardholder Agreement. In the event of a conflict between this User Agreement, including these Terms and the Cardholder Agreement, the provisions of the Cardholder Agreement shall prevail.

1.20. Coinbase Liability. This section operates in addition to any limitation of liability expressed elsewhere in this User Agreement.

1.20.1. Coinbase will not be liable to you for any loss arising from:

1.20.1.1. A merchant refusing to accept a Card;

1.20.1.2. Any breach by Coinbase of the User Agreement due to abnormal or unforeseen circumstances beyond Coinbase's reasonable control, which would have been unavoidable despite all Coinbase's efforts to stop it;

1.20.1.3. MetaBank restricting, suspending, or terminating a Card or refusing to issue or replace a Card in accordance with these Terms;

1.20.1.4. MetaBank declining a Card Transaction that you make or attempt to make using a Card;

1.20.1.5. Coinbase restricting, suspending, or terminating your USD Wallet, Digital Currency Wallet, or any related Coinbase Services; or

1.20.1.6. Coinbase's compliance with any applicable laws and regulations.

1.20.2. Coinbase will not be liable for the goods or services that you purchase from a merchant using a Card.

1.20.3. Where a Card is faulty, Coinbase's liability shall be limited to assisting with the replacement of the Card.

Appendix 6: Coinbase One Subscription

The following Coinbase One Subscription Terms and Conditions are to be read in conjunction with the [Coinbase User Agreement](#).

1. Coinbase One Subscription. Eligible Users may sign up for Coinbase One which is an automatically renewing subscription requiring recurring payments. A Coinbase One subscription grants you the benefits of a) a waiver of Coinbase fees for buying, selling, and converting digital currencies on the Coinbase platform (which does *not* include Coinbase Pro's order matching platform), provided that a spread in the price is still included in all buys, sells, and conversion of digital currencies on the Coinbase trading platform ([learn more about fees here](#)), b) a dedicated customer support line available 24 hours a day, 7 days a week, 365 days a year; and c) Coinbase Account Protection as detailed in paragraph 3 below. Coinbase may modify or suspend this program at any time upon notice.

2. Subscription Fees and Billing. We will bill you in advance for your subscription. We will deduct the subscription fee at the start of your subscription and on an on-going basis the day immediately following the end of your prior subscription billing period unless and until you cancel your subscription, your account is otherwise suspended or terminated pursuant to the Agreement, or Coinbase One is suspended or terminated. The monthly subscription billing period is thirty (30) days from the date the subscription fee is paid.

2.1 By choosing your bank account as your payment method, you authorize us to deduct the subscription fee from your designated

bank account, including applicable taxes in U.S. Dollars. You further agree that you have read, understood and agree to the terms in this Agreement, and that this Agreement constitutes a "writing signed by you" under any applicable law or regulation, (b) you consent to the electronic delivery of the disclosures contained in this Agreement, (c) you authorize us to make any inquiries we consider necessary to validate any dispute involving your payment, and (d) you authorize us to initiate one or more ACH debit entries (withdrawals), and you authorize the financial institution that holds your bank account to deduct such payments, in the amounts and frequency designated in your then-current subscription payment plan.

2.2 By choosing your USD wallet in your Coinbase Account as your payment method, you authorize us to deduct the subscription fee from your USD wallet, including applicable taxes in U.S. dollars.

If your bank account or Coinbase USD wallet does not have sufficient funds to cover your subscription payment, we will provide you with a 3-day grace period to add sufficient funds and make payment before we terminate your subscription.

If you sign up for an annual plan, we will notify you of the renewal date via e-mail 30 days prior to the date of renewal.

We reserve the right to change the terms of your subscription, including the fees, from time to time, effective as of the beginning of your next billing period following the date of the change. We will give you advance notice of any increased fees, increased liability, fewer types of available transfers, or stricter limitations on the frequency or dollar amount of transfers regarding your Coinbase One subscription at least 21 days before the effective date of such change. We will give you advance notice of any change in the payment amount from the previous payment, and the date of the next payment, at least 10 calendar days in advance of the next payment by e-mail to your primary e-mail address saved in your Coinbase Account. If you do not wish to accept a change to the price of your subscription, you may cancel your subscription as described in paragraph 4 below.

3. Coinbase Account Protection. With an active Coinbase One subscription, you may be eligible to receive a one-time reimbursement for up to \$1,000,000 (U.S. Dollars) of actual losses (or the U.S. Dollar equivalent thereof, in the case such losses were in the form of Digital Currency) that you sustain due to a compromise of your Coinbase Account login credentials resulting from a vulnerability or other deficiency in Coinbase's systems and/or security protocols (the "**Coinbase Account Protection**"). The Coinbase Account Protection is subject to the terms and conditions set forth in this [Paragraph 3] (the "**Coinbase Account Protection Warranty Terms**"), which apply in addition to the terms of the Agreement and any other terms and policies set forth on the Coinbase Site.

3.1 Eligibility. In order to be eligible to receive reimbursement under the Coinbase Account Protection, you must satisfy the following conditions:

3.1.1 You must have an active Coinbase One subscription at the time the losses for which you are submitting a request for reimbursement under the Coinbase Account Protection (the "**Reimbursable Losses**") were sustained;

3.1.2 Your Coinbase Account must have been open for at least thirty (30) calendar days prior to the date on which you sustained the Reimbursable Losses;

3.1.3 You must have successfully completed all steps in the [photo identity verification process](#) prior to the date on which you sustained the Reimbursable Losses;

3.1.4 2-factor authentication with either an authenticator application (e.g., Duo or Google Authenticator), security key (e.g., Yubikey) or push notification through the Coinbase mobile application must have been enabled on your Coinbase Account at the time you sustained the Reimbursable Losses. **2-factor authentication via SMS is not sufficient to be eligible for coverage under the Coinbase Account Protection;**

3.1.5 You must file your request for reimbursement of Reimbursable Losses with Coinbase within ninety (90) days of the date on which you sustained the Reimbursable Losses;

3.1.6 You must promptly file a police report with your local police department in connection with the Reimbursable Losses, and provide a copy of such report to Coinbase;

3.1.7 You must not have previously received a reimbursement for losses under the Coinbase Account Protection;

3.1.8 Your Coinbase Account must be in good standing;

3.1.9 You will not be eligible for reimbursement under the Coinbase Account Protection if you previously falsely reported to Coinbase that your Coinbase Account had been compromised; and

3.1.10 You will not be eligible for reimbursement under the Coinbase Account Protection if you engage in unreasonable, offensive or dishonest behavior in communicating with Coinbase about a request you've made for reimbursement under the Coinbase Account Protection (e.g., contacting Coinbase employees outside of official customer support channels, or using abusive language when communicating with Coinbase employees).

3.2 What is not covered.

3.2.1 The Coinbase Account Protection does not cover reimbursement for any loss of funds held outside of your Coinbase Account, including without limitation in Coinbase Custody, Coinbase Wallet, or non-custodial wallets connected to Coinbase Commerce.

3.2.2 The Coinbase Account Protection does not cover reimbursement of funds that you voluntarily sent to a third party in connection with an investment scam or otherwise, or if you mistakenly bought Digital Currency or sent Digital Currency to the wrong addressee.

3.2.3 The Coinbase Account Protection does not cover reimbursement for any losses that you sustain as the result of your knowingly and voluntarily participating in fraudulent activity.

3.2.4 The Coinbase Account Protection does not cover reimbursement for any losses that were the result of a security vulnerability or other technical deficiency in your computer, mobile device or security key.

3.2.5 The Coinbase Account Protection does not cover reimbursement for any losses that were the result of an event or action that you were aware could result in compromise of your account security, if you failed to promptly notify Coinbase of such occurrence in accordance with Section 6.2 (Security Breach) of the Agreement. Examples of such occurrences include, without limitation, if you lose your security key or API key, if you grant a third party remote access to your account, or if you provide your Coinbase Account login credentials and/or 2-factor authentication codes to a third party.

3.2.6 You agree that any amounts payable to you under the Coinbase Account Protection will be reduced by any amounts you are able to recover or have already recovered for the applicable Reimbursable Losses from a source other than the Coinbase Account Protection, including without limitation, any amounts received under an insurance policy, warranty, guarantee or indemnity.

3.3 Process for requesting reimbursement. In order to request reimbursement under the Coinbase Account Protection, please contact us via the [Coinbase Help Center](#) to lock your Coinbase Account and report that someone gained unauthorized access to your Coinbase account and withdrew your funds without your permission. After you've provided sufficient details about the incident (including the police report referenced in Section 3.1.6 above, along with your name, a reasonably detailed description about what happened, and your customer support ticket), Coinbase will investigate your case and determine whether you are eligible to receive reimbursement of up to \$1,000,000 (U.S. Dollars) (or the U.S. Dollar equivalent of Digital Currency, as the case may be) in Reimbursable Losses under the Coinbase Account Protection. If Coinbase determines that you are eligible for reimbursement under the Coinbase Account Protection, Coinbase will provide you with a one-time payment equal to the lesser of

(i) the actual amount of funds or Digital Currency, as the case may be, that were improperly removed from your Coinbase Account as a result of the compromise of your Coinbase Account login credentials as a result of a vulnerability or other deficiency in Coinbase's systems and/or security protocols and (ii) \$1,000,000 (U.S. Dollars) (or the U.S. Dollar equivalent of Digital Currency, as the case may be). If your Reimbursable Losses are in the form of Digital Currency, the foregoing limit will be calculated based on

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the U.S. Dollar value of any applicable Digital Currencies or Fiat Currencies, which Coinbase may use to reimburse you, request under the Coinbase Account Protection. You will be required to provide reasonable cooperation to Coinbase in connection with our investigation of your case, and you must not take any actions that interfere with or otherwise impede our investigation. Eligibility, determination of the amount of any Reimbursable Losses, and any interpretation of these Coinbase Account Protection Warranty Terms will be determined by Coinbase in its sole discretion. Coinbase may condition reimbursement under the Coinbase Account Protection on execution of a definitive settlement agreement, including a release of claims against Coinbase, its officers, directors, employees, contractors, agents, and affiliates and any other applicable parties and an obligation to keep confidential the reimbursement amount and circumstances. Coinbase reserves the right to subrogate against any person or entity with respect to your claim for Reimbursable Losses. You hereby agree that in connection with any reimbursement made under the Coinbase Account Protection, you will cooperate fully with Coinbase in its efforts at subrogation.

3.4 Other terms. In the event of a conflict between these Coinbase Account Protection Warranty Terms and anything else in the Agreement, these Coinbase Account Protection Warranty Terms will govern. Notwithstanding the foregoing, you are still primarily responsible for ensuring the security of your Coinbase Account, and if you suspect that you have been the victim of a Security Breach, you must notify Coinbase Support as soon as possible in accordance with Section 6.2 of the Agreement. **The Coinbase Account Protection is not an insurance policy. To the extent you require protection beyond the Coinbase Account Protection, we strongly encourage you to purchase an insurance policy or other protection that provides coverage for unforeseen events that may result in the loss of funds held in your Coinbase Account.**

3.5 Amendment; Termination. Except as prohibited by law, Coinbase may terminate the Coinbase Account Protection at any time, and such termination will apply to incidents occurring after the effective date of the termination. In addition, except in the case of a suit filed to enforce these Coinbase Account Protection Warranty Terms, you acknowledge and agree that no benefits will be made available to you under the Coinbase Account Protection in the event you initiate any action, suit or claim against Coinbase, or its officers, directors, employees, contractors, agents, or affiliates, concerning a claim otherwise subject to reimbursement under these Coinbase Account Protection Warranty Terms.

3.6 No Waiver. Coinbase's failure to enforce any right or provision of these Coinbase Account Protection Warranty Terms will not constitute a waiver of future enforcement of that right or provision. The waiver of any such right or provision will be effective only if in writing and signed by a duly authorized representative of Coinbase.

3.7 Disclaimers, Limitation of Liability, Arbitration. You acknowledge and agree that any claims arising from or in relation to the Coinbase Account Protection or these Coinbase Account Protection Warranty Terms are subject to the Agreement, including the No Warranty disclaimer and (except for Coinbase's obligation to pay amounts pursuant to an approved reimbursement request made under the Coinbase Account Protection) the Limitations of Liability set forth in Section 9.3 of the Agreement. You further acknowledge and agree that any dispute or claim relating in any way to the Coinbase Account Protection will be adjudicated in accordance with Section 8 of the Agreement.

4. Cancellation. You can cancel your subscription at any time through your account settings and clicking "subscription management" using a web browser or in the app. If you cancel your subscription, the cancellation will go into effect at the end of your current subscription period. You will have continued access to your subscription for the remainder of your paid subscription period. You must cancel your subscription [at least one (1) day] before it renews to avoid paying the subscription fees for the next subscription period. If you cancel, modify your subscription, or if your account is otherwise terminated under this Agreement, you will not receive a credit, including for partially used periods of the subscription service.

5. No Transfer or Assignments & Cancellations by Coinbase. Your Coinbase One subscription cannot be transferred or assigned. Coinbase reserves the right to accept, refuse, suspend, or cancel your subscription at any time in its sole discretion. If Coinbase cancels your subscription, you will receive a refund of your subscription fee on a pro rata basis calculated from the end of the month during which your subscription was cancelled, unless Coinbase terminates your account or your subscription because it determines, in its sole discretion, that your actions or your use of the Services violates the Agreement or has harmed another User.

6. Acknowledgement of Risk. By signing up for Coinbase One, you understand that Coinbase is not making a recommendation to make a specific investment, trade, or to use any specific investment strategy. Coinbase does not provide any investment, legal, or tax advice.

Part 2. COINBASE PRO

1. Coinbase Pro Accounts

1.1 Access to Coinbase Pro. Eligible users may establish an account at Coinbase Pro (at pro.coinbase.com), an order book exchange platform for Digital Currencies. Coinbase does not offer Coinbase Pro to customers in all jurisdictions. This Part 2 of the User Agreement applies to you if you access Coinbase Pro.

1.2 Order Books. Coinbase Pro offers an order book for various Digital Currency and Fiat Currency trading pairs (each an "Order Book"). Refer to your Coinbase Pro account to determine which Order Books are available to you.

1.3 Your Coinbase Pro Account. Your Coinbase Pro Account consists of the following.

- A dedicated Hosted Digital Currency Wallet for each Digital Currency offered on Coinbase Pro.
- A dedicated Fiat Currency Wallet.
- Associated user tools, accessible at pro.coinbase.com and through Coinbase Pro API.

1.4 Deposits. You may fund your Coinbase Pro Account by depositing Digital Currency and/or Fiat Currency from your basic Coinbase Account, Bank Account or an external Digital Currency address into your Coinbase Pro Account. Funds in your Coinbase Pro Account can be used only to trade on Coinbase Pro.

1.5 Withdrawals. You may withdraw Digital Currency from your Coinbase Pro Account by transfer to your basic Coinbase Account or to an external Digital Currency address. You may withdraw Fiat Currency from your Coinbase Pro Account to your basic Coinbase Account or directly to your Bank Account.

ALL DEPOSITS AND WITHDRAWALS MAY BE SUBJECT TO LIMITS. ALL LIMITS WILL BE DISPLAYED IN YOUR Coinbase Pro ACCOUNT.

1.6 Withdrawal Fees. Coinbase may also charge a fee on certain Fiat Currency deposit or withdrawal methods (e.g. bank wire). All such fees will be clearly displayed in your Coinbase Pro Account.

2. Trading Rules and Trading Fees

2.1 Trading Rules. By accessing Coinbase Pro through pro.coinbase.com or Coinbase Pro API, you accept and agree to be bound by the [Trading Rules](#)

2.2. Trading Fees. By placing an order on Coinbase Pro, you agree to pay all applicable fees and you authorize Coinbase to automatically deduct fees directly from your Coinbase Pro Account. Trading Fees are set forth in the Trading Rules and

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3. General Use, Restrictions, and Cancellation

3.1. Trading Account Use. By using a Coinbase Pro Account you agree and represent that you will use Coinbase Pro only for yourself as Account owner, and not on behalf of any third party, unless you have obtained prior approval from Coinbase. You may not sell, lease, furnish or otherwise permit or provide access to your Trading Account to any other entity or to any individual that is not your employee or agent. You accept full responsibility for your employees' or agents' use of Coinbase Pro, whether such use is directly through Coinbase Pro website or by other means, such as those facilitated through API keys, and/or applications which you may authorize. You understand and agree that you are responsible for any and all orders, trades, and other instructions entered into Coinbase Pro including identifiers, permissions, passwords, and security codes associated with your Coinbase Pro Account.

3.2. Suspension and Cancellation. We may suspend your Coinbase Pro Account or your access to any one for more Order Books in accordance with the User Agreement Account suspension and termination provisions. Suspension or termination of your Coinbase Pro Account shall not affect the payment of fees or other amounts you owe to Coinbase. In the event that your Basic Coinbase Account is suspended or terminated, we will immediately cancel all open orders associated with your Coinbase Pro Account, block all withdrawals and bar the placing of further orders until resolution or Account cancellation.

3.3. No Warranty. We do not represent that Coinbase Pro and/or its constituent Coinbase Pro Accounts, APIs, and related services, will be available without interruption. Although we will strive to provide you with continuous operations, we do not guarantee continuous access or that there will be no delays, failures, errors, omissions or loss of transmitted information, nor do we guarantee that any order will be executed, accepted, recorded, or remain open. Coinbase reserves the right to cancel any open trades and/or suspend Coinbase Pro activity in accordance with the Trading Rules.

3.4. No Investment Advice or Brokerage. For the avoidance of doubt, Coinbase does not provide investment, tax, or legal advice, nor does Coinbase broker trades on your behalf. All Coinbase Pro trades are executed automatically, based on the parameters of your order instructions and in accordance with posted Trade execution procedures, and you are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for you based on your personal investment objectives, financial circumstances and risk tolerance. You should consult your legal or tax professional regarding your specific situation.

3.5. Debts. In the event that there are outstanding amounts owed to us hereunder, including in your Coinbase Account, Coinbase reserves the right to debit your Coinbase Pro Account accordingly and/or to withhold amounts from funds you may transfer from your Coinbase Pro Account to your Coinbase Account.

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(Blog)

บริษัท

เกี่ยวกับ

ร่วมงานกับเรา

บริษัทในเครือ

บล็อก (Blog)

สื่อ

นักลงทุน

กฎหมายและความเป็นส่วนตัว

นโยบายคุกกี้

การตั้งค่าคุกกี้

เรียนรู้

เรียกดราคาเงินดิจิทัล

จดหมายข่าวของ Coinbase Bytes

ข้อมูลเบื้องต้นเกี่ยวกับเงินดิจิทัล

เคล็ดลับและบทเรียน

อัปเดตตลาด

บิตคอยน์คืออะไร

สกุลเงินดิจิทัลคืออะไร

บล็อกเชนคืออะไร

วิธีการตั้งค่ากระเป๋าเงินดิจิทัล

วิธีส่งเงินดิจิทัล

ภาษี

บุคคลทั่วไป

ซื้อและขาย

รับเงินดิจิทัลฟรี

กระเป๋าเงิน

บัตร

ธุรกิจ

Prime

Custody

ศูนย์กลางสินทรัพย์

Commerce

นักพัฒนา

Coinbase Cloud

Connect

Commerce

Pro

Bison Trails

WalletLink

Rosetta

USDC

สนับสนุน

ศูนย์ช่วยเหลือ

ติดต่อเรา

สร้างบัญชี

การยืนยันตัวตน

ข้อมูลเกี่ยวกับบัญชี

วิธีการชำระเงิน

การเข้าถึงบัญชี

เงินดิจิทัลที่รองรับ

ประเทศที่รองรับ

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Legal

Coinbase Global Privacy Policy

Last updated: October 8, 2021

We at Coinbase (defined below) respect and protect the privacy of visitors to our websites and our customers. This Privacy Policy describes our information handling practices when you access our services, which include our content on the websites located at coinbase.com, coinbase.com/exchange, coinbase.com/prime, custody.coinbase.com, or any other websites, pages, features, or content we own or operate (collectively, the "Site(s)") or when you use the Coinbase mobile app, the Coinbase Card App (as defined below), any Coinbase, Coinbase Exchange, Coinbase Prime, or Coinbase Custody API or third party applications relying on such an API, and related services (referred to collectively hereinafter as "Services").

Please take a moment to read this Privacy Policy carefully. If you have any questions about this Policy, please submit your request via our Support Portal at <https://support.coinbase.com/customer/portal/emails/new>.

We may modify this Privacy Policy from time to time which will be indicated by changing the date at the top of this page. If we make any material changes, we will notify you by email (sent to the email address specified in your account), by means of a notice on our Services prior to the change becoming effective, or as otherwise required by law.

1. ACCEPTANCE OF THIS PRIVACY POLICY

By accessing and using our Services, you signify acceptance to the terms of this Privacy Policy. Where we require your consent to process your personal information, we will ask for your consent to the collection, use, and disclosure of your personal information as described further below. We may provide additional "just-in-time" disclosures or information about the data processing practices of specific Services. These notices may supplement or clarify our privacy practices or may provide you with additional choices about how we process your data.

If you do not agree with or you are not comfortable with any aspect of this Privacy Policy, you should immediately discontinue access or use of our Services.

2. OUR RELATIONSHIP TO YOU

Where You Reside	Services Provided	Your Operating Entity	Contact Address
Anywhere but the United States and Japan	Custodial services	Coinbase Custody International Limited (unless otherwise indicated in your service contract) Company No: 657718	70 Sir John Rogerson's Quay Dublin 2, Ireland
EU and the United Kingdom	Digital Currency services	Coinbase Europe, Limited. Company No: 675475	70 Sir John Rogerson's Quay Dublin 2, Ireland
Germany	Digital Currency services	Coinbase Germany GmbH. Company No: HRB 213709 B. BaFin-ID 10158674	Kurfürstendamm 22, 10719 Berlin, Germany
European Economic Area	Fiat Wallet services	Coinbase Ireland, Limited. Company No: 630350 CBI Register No: C188493	70 Sir John Rogerson's Quay Dublin 2, Ireland
Singapore	Digital Currency services, Fiat Wallet services	Coinbase Singapore Pte. Ltd. Unique Entity No.: 201935002N	One Marina Boulevard, #28-00, Singapore 018989
Japan	Digital Currency services, Fiat Wallet services, Custodial services	Coinbase KK. Company No: 0100-01-173138 FSA Register No: Kanto Finance Bureau Directory-General No. 00000	Otemachi Building 4F FINOLAB, 1-6-1 Otemachi, Chiyoda-ku, Tokyo

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We use our own and third-party cookies on our websites to enhance your experience, analyze traffic, and for security and marketing. For more info or to modify cookies, see our [Cookie Policy](#) or go to [Manage Settings](#).

[Manage settings](#)
[Dismiss](#)


in Europe)		FCA Register No: 900635	Kingdom
United States	Digital Currency services, Fiat Wallet services	Coinbase, Inc. CA Entity No.: C3548456	Coinbase, Inc. c/o C T Corporation System 818 West Seventh St., Ste. 930 Los Angeles, California 90017
United States	Custodial services	Coinbase Custody Trust Company, LLC (unless otherwise indicated in your service contract) NYS License # 122506	Coinbase Custody Trust Company, LLC c/o C T Corporation System 28 Liberty Street New York, New York 10005
United States	Credit and Lending services, Margin Trading services	Coinbase Credit, Inc. CA Entity No.: C4315976	Coinbase Credit, Inc. c/o C T Corporation System 818 West Seventh St., Ste. 930 Los Angeles, California 90017

The CB operating entity you contract with determines the means and purposes of processing your personal information in relation to the Services provided to you (typically referred to as a “data controller”).

You may be asked to provide personal information anytime you are in contact with any CB companies. The CB companies may share your personal information with each other and use it consistent with this Privacy Policy. They may also combine it with other information to provide and improve our products, services, and content (additional details below). For example, even if you do not reside in the United States (the “US”), your information may be shared with Coinbase, Inc. which provides global support for all Services including technical infrastructure, product development, security, compliance, fraud prevention, and customer support.

If you have any questions about your CB Account, your personal information, or this Privacy Policy, please submit your request via our [Support Portal](#).

3. THE PERSONAL INFORMATION WE COLLECT

Personal information is typically data that identifies an individual or relates to an identifiable individual. This includes information you provide to us, information which is collected about you automatically, and information we obtain from third parties. The definition of personal information depends on the applicable law based on your physical location. Only the definition that applies to your physical location will apply to you under this Privacy Policy.

Information you provide to us. To establish an account and access our Services, we'll ask you to provide us with some important information about yourself. This information is either required by law (e.g. to verify your identity), necessary to provide the requested services (e.g. you will need to provide your bank account number if you'd like to link that account to CB), or is relevant for certain specified purposes, described in greater detail below. As we add new features and Services, you may be asked to provide additional information.

If you choose not to share certain information with us, we may not be able to serve you as effectively or offer you our Services. Any information you provide to us that is not required is voluntary.

We may collect the following types of information from you:

- Personal Identification Information: Full name, date of birth, nationality, gender, signature, utility bills, photographs, phone number, home address, and/or email.
- Formal Identification Information: Government issued identity document such as Passport, Driver's License, National Identity Card, State ID Card, Tax ID number, passport number, driver's license details, national identity card details, visa information, and/or any other information deemed necessary to comply with our legal obligations under financial or anti-money laundering laws.
- Institutional Information: Employer Identification number (or comparable number issued by a government), proof of legal formation (e.g. Articles of Incorporation), personal identification information for all material beneficial owners.
- Financial Information: Bank account information, payment card primary account number (PAN), transaction history, trading data, and/or tax identification.
- Transaction Information: Information about the transactions you make on our Services, such as the name of the recipient, your name, the amount, and/or timestamp.
- Employment Information: Office location, job title, and/or description of role.
- Correspondence: Survey responses, information provided to our support team or user research team.
- Audio, electronic, visual and similar information, such as call and video recordings.

Information we collect from you automatically. To the extent permitted under the applicable law, we may collect certain types of information automatically, such as whenever you interact with the Sites or use the Services. This information helps us address customer support issues, improve the performance of our Sites and Services, provide you with a streamlined and personalized experience, and protect your account from fraud by detecting unauthorized access. Information collected automatically includes:

- Online Identifiers: Geo location/tracking details, browser fingerprint, operating system, browser name and version, and/or personal IP addresses.

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- How you came to and use the Services;
- Device type and unique device identification numbers;
- Device event information (such as crashes, system activity and hardware settings, browser type, browser language, the date and time of your request and referral URL);
- How your device interacts with our Sites and Services, including pages accessed and links clicked;
- Broad geographic location (e.g. country or city-level location); and
- Other technical data collected through cookies, pixel tags and other similar technologies that uniquely identify your browser.

We may also use identifiers to recognize you when you access our Sites via an external link, such as a link appearing on a third party site.

Information we collect from our affiliates and third parties. From time to time, we may obtain information about you from our affiliates or third party sources as required or permitted by applicable law. These sources may include:

- Our Coinbase Family of Companies: Our "family of companies" is the group of companies related to us by common control or ownership ("Affiliates"). In accordance with applicable law, we may obtain information about you from our Affiliates as a normal part of conducting business, if you link your various Coinbase accounts (e.g., Coinbase Wallet account or Coinbase Commerce account in order to convert cryptocurrency into fiat and make withdrawals into your bank account), so that we may offer our Affiliates' Services to you.
- Public Databases, Credit Bureaus & ID Verification Partners: We obtain information about you from public databases and ID verification partners for purposes of verifying your identity in accordance with applicable law. ID verification partners like World-Check use a combination of government records and publicly available information about you to verify your identity. Such information may include your name, address, job role, public employment profile, credit history, status on any sanctions lists maintained by public authorities, and other relevant data. We obtain such information to comply with our legal obligations, such as anti-money laundering laws. In some cases, we may process additional data about you to assess risk and ensure our Services are not used fraudulently or for other illicit activities. In such instances, processing is necessary for us to continue to perform our contractual obligations with you and others. World-Check's Privacy Policy, available at <https://www.refinitiv.com/en/products/world-check-kyc-screening/privacy-statement/>, describes its collection and use of personal data.
- Blockchain Data: We may analyze public blockchain data to ensure parties utilizing our Services are not engaged in illegal or prohibited activity under our Terms, and to analyze transaction trends for research and development purposes.
- Joint Marketing Partners & Resellers: For example, unless prohibited by applicable law, joint marketing partners or resellers may share information about you with us so that we can better understand which of our Services may be of interest to you.
- Advertising Networks & Analytics Providers: We work with these providers to provide us with de-identified information about how you found our Sites and how you interact with the Sites and Services. This information may be collected prior to account creation. For more information on how you can manage collection of this data, please see our [Cookie Policy](#).

4. ANONYMIZED AND AGGREGATED DATA

Anonymization is a data processing technique that modifies personal information so that it cannot be associated with a specific individual. Except for this section, none of the other provisions of this Privacy Policy applies to anonymized or aggregated customer data (i.e. information about our customers that we combine together so that it no longer identifies or references an individual customer).

Coinbase may use anonymized or aggregate customer data for any business purpose, including to better understand customer needs and behaviors, improve our Services, conduct business intelligence and marketing, and detect security threats. We may perform our own analytics on anonymized data or enable analytics provided by third parties.

Types of data we may anonymize include, transaction data, click-stream data, performance metrics, and fraud indicators.

5. HOW YOUR PERSONAL INFORMATION IS USED

Our primary purpose in collecting personal information is to provide you with a secure, smooth, efficient, and customized experience. We generally use personal information to create, develop, operate, deliver, and improve our Services, content and advertising; and for loss prevention and anti-fraud purposes. We may use this information in the following ways:

1) To maintain legal and regulatory compliance

Most of our core Services are subject to laws and regulations requiring us to collect, use, and store your personal information in certain ways. For example, CB must identify and verify customers using our Services in order to comply with anti-money laundering laws across jurisdictions. This includes collection and storage of your photo identification. In addition, we use third parties to verify your identity by comparing the personal information you provide against third-party databases and public records. When you seek to link a bank account to your CB Account, we may require you to provide additional information which we may use in collaboration with service providers acting on our behalf to verify your identity or address, and/or to manage risk as required under applicable law. If you do not provide personal information required by law, we will have to close your account.

2) To enforce our terms in our user agreement and other agreements

CB handles sensitive information, such as your identification and financial data, so it is very important for us and our customers that we actively monitor, investigate, prevent, and mitigate any potentially prohibited or illegal activities, enforce our agreements with third parties, and/or prevent and detect violations of our posted user agreement or agreements for other Services. In addition, we may need to collect fees based on your use of our Services. We collect information about your account usage and closely monitor your interactions with our Services. We may use any of your



4) To provide Coinbase's Services

We process your personal information to provide the Services to you. For example, when you want to store funds on our platform, we require certain information such as your identification, contact information, and payment information. We cannot provide you with Services without such information. Third parties such as identity verification services may also access and/or collect your personal information when providing identity verification and/or fraud prevention services.

5) To provide Service communications

We send administrative or account-related information to you to keep you updated about our Services, inform you of relevant security issues or updates, or provide other transaction-related information. Without such communications, you may not be aware of important developments relating to your account that may affect how you can use our Services. You may not opt-out of receiving critical service communications, such as emails or mobile notifications sent for legal or security purposes.

6) To provide customer service

We process your personal information when you contact us to resolve any questions, disputes, collect fees, or to troubleshoot problems. Without processing your personal information for such purposes, we cannot respond to your requests and ensure your uninterrupted use of the Services.

7) To ensure quality control

We process your personal information for quality control and staff training to make sure we continue to provide you with accurate information. If we do not process personal information for quality control purposes, you may experience issues on the Services such as inaccurate transaction records or other interruptions.

8) To ensure network and information security

We process your personal information in order to enhance security, monitor and verify identity or service access, combat spam or other malware or security risks and to comply with applicable security laws and regulations. The threat landscape on the internet is constantly evolving, which makes it more important than ever that we have accurate and up-to-date information about your use of our Services. Without processing your personal information, we may not be able to ensure the security of our Services.

9) For research and development purposes

We process your personal information to better understand the way you use and interact with Coinbase's Services. In addition, we use such information to customize, measure, and improve Coinbase's Services and the content and layout of our website and applications, and to develop new services. Without such processing, we cannot ensure your continued enjoyment of our Services.

10) To enhance your experience

We process your personal information to provide a personalized experience, and implement the preferences you request. For example, you may choose to provide us with access to certain personal information stored by third parties. Without such processing, we may not be able to ensure your continued enjoyment of part or all of our Services.

11) To facilitate corporate acquisitions, mergers, or transactions

We may process any information regarding your account and use of our Services as is necessary in the context of corporate acquisitions, mergers, or other corporate transactions.

12) To engage in marketing activities

Based on your communication preferences, we may send you marketing communications (e.g. emails or mobile notifications) to inform you about our events or our partner events; to deliver targeted marketing; and to provide you with promotional offers. Our marketing will be conducted in accordance with your advertising marketing preferences and as permitted by applicable law.

13) To protect the health and safety of our employees and visitors, our facilities and our property and other rights. If you visit one of our locations, to maintain security at such locations you may be photographed or videotaped.

14) For any purpose that you provide your consent.

We will not use your personal information for purposes other than those purposes we have disclosed to you, without your permission. From time to time, and as required under the applicable law, we may request your permission to allow us to share your personal information with third parties. In such instances, you may opt out of having your personal information shared with third parties, or allowing us to use your personal information for any purpose that is incompatible with the purposes for which we originally collected it or subsequently obtained your authorization. If you choose to limit the use of your personal information, certain features or CB Services may not be available to you.

6. LEGAL BASES FOR PROCESSING YOUR INFORMATION

For individuals who are located in the European Economic Area, the United Kingdom or Switzerland (collectively "EEA Residents") at the time their personal information is collected, our legal bases for processing your information under the EU General Data Protection Regulation ("GDPR") will depend on the personal information at issue, the specific context in the which the personal information is collected and the purposes for which it is used. We generally only process your data where we are legally required to, where processing is necessary to perform any contracts we entered with you (or to take steps at your request prior to entering into a contract with you), where processing is in our legitimate interests to operate our business and not overridden by your data protection interests or fundamental rights and freedoms, or where we have obtained your consent to do so. In some rare instances, we may need to process your personal information to protect your vital interests or those of another person. Below is a list of how CB uses your personal information, as described above in Section 5, with the corresponding legal bases for processing. If you have questions about or need further information concerning the legal basis on which we collect and use your personal information, please contact us using the contact details provided under the "How to contact us" heading below.

Section & Purpose of Processing	Legal Bases for Processing
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customer service (7) To ensure quality control	
(9) For research and development purposes (10) To enhance your experience (11) To facilitate corporate acquisitions, mergers, or transactions (12) To engage in direct marketing activities	Based on our legitimate interests. When we process your personal data for our legitimate interests we always ensure that we consider and balance any potential impact on you and your rights under data protection laws.
(1) To maintain legal and regulatory compliance (3) To detect and prevent fraud and/or funds loss (8) To ensure network and information security (13) To protect your or our's vital interests	Based on our legal obligations, the public interest, or in your vital interests.
(10) To enhance your experience (12) To engage in third party marketing activities (14) For any purpose to which you consent	Based on your consent.

7. WHY WE SHARE PERSONAL INFORMATION WITH OTHER PARTIES

We take care to allow your personal information to be accessed only by those who require access to perform their tasks and duties, and to share only with third parties who have a legitimate purpose for accessing it. CB will never sell or rent your personal information to third parties without your explicit consent. We will only share your information in the following circumstances:

- With third party identity verification services in order to prevent fraud. This allows CB to confirm your identity by comparing the information you provide us to public records and other third party databases. These service providers may create derivative data based on your personal information that can be used in connection with the provision of identity verification and fraud prevention services. For example:
 - We may use Jumio Corporation or Jumio UK, Limited (collectively "Jumio") to verify your identity by determining whether a selfie you take matches the photo in your government issued identity document. The information collected from your photo may include biometric data. Jumio's Privacy Policy, available at <https://www.jumio.com/legal-information/privacy-policy/jumio-inc-privacy-policy-for-online-services/>, describes its collection and use of personal information.
 - For Germany users, we may use SolarisBank AG ("Solarisbank") to verify your identity through verification of identifiable personal information. The information collected from you may include biometric data. Solarisbank's Privacy Policy, available at <https://www.solarisbank.com/en/privacy-policy/>, describes its collection and use of personal information.
 - We may use Sift Science, Inc. ("Sift") to detect and prevent fraudulent activity on your account in real time. Information shared with Sift is treated by Sift in accordance with its Privacy Policy, available at <https://sift.com/service-privacy>.
 - If you are based in the US, CB may use Plaid, Inc. ("Plaid") to connect your Coinbase account with your bank account, verify your bank account and confirm your bank account balance prior to approving a transaction. Information shared with Plaid is treated by Plaid in accordance with its Privacy Policy, available at <https://plaid.com/legal/#end-user-privacy-policy>.
- With financial institutions with which we partner to process payments you have authorized.
- With service providers under contract who help with parts of our business operations. Our contracts require these service providers to only use your information in connection with the services they perform for us, and prohibit them from selling your information to anyone else. Examples of the types of service providers we may share personal information with (other than those mentioned above) include:
 - Network infrastructure
 - Cloud storage
 - Payment processing
 - Transaction monitoring
 - Security
 - Document repository services
 - Customer support
 - Internet (e.g. ISPs)
 - Data analytics
 - Information Technology
 - Marketing
- With companies or other entities that we plan to merge with or be acquired by. You will receive prior notice of any change in applicable policies.
- With companies or other entities that purchase CB assets pursuant to a court-approved sale or where we are required to share your information pursuant to applicable law in any applicable jurisdiction.

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- With law enforcement, officials, or other third parties when we are compelled to do so by a subpoena, court order, or similar legal procedure, or when we believe in good faith that the disclosure of personal information is necessary to prevent physical harm or financial loss, to report suspected illegal activity, or to investigate violations of our User Agreement or any other applicable policies.
- We share personal information about you with our Affiliates as a normal part of conducting business and offering Services to you.

Where we believe it is necessary in order to protect the vital interests of any person. If you establish a CB Account indirectly on a third party website or via a third party application, any information that you enter on that website or application (and not directly on a CB website) will be shared with the owner of the third party website or application and your information will be subject to their privacy policies. For more information see the "Third-Party Sites and Services" section below.

8. SPECIAL PROVISIONS RELATING TO COINBASE CARD USERS

If you sign up to use the Digital Currency backed debit card Service (the "Coinbase Card") provided by CB via the dedicated app for that Service (the "Coinbase Card App"), we will process your personal information in accordance with this Policy.

In order to provide the Coinbase Card Service to you, we have partnered with Paysafe Financial Services Limited and Paysafe Payment Solution Limited (collectively "Paysafe"). Paysafe is the issuer of the Coinbase Card and is a member of the Visa card scheme, which will be used to enable your Coinbase Card to operate as a normal debit card. When you sign up on the Coinbase Card App you agree to Paysafe's own terms and conditions and Privacy Policy (available at <https://www.paysafe.com/paysafegroup/privacy-policy/>), and as a result Paysafe will be an independent data controller in relation to the personal information they collect and hold relating to you.

We may at times need to share some of your personal information that we control with Paysafe to enable us and Paysafe to provide you with the Coinbase Card Service. Where we do this, Paysafe will act as a data processor and only process your personal information to the extent necessary to enable us and Paysafe to provide the Coinbase Card Service to you.

9. HOW WE PROTECT AND STORE PERSONAL INFORMATION

We understand how important your privacy is, which is why CB maintains (and contractually requires third parties it shares your information with to maintain) appropriate physical, technical and administrative safeguards to protect the security and confidentiality of the personal information you entrust to us.

We may store and process all or part of your personal and transactional information, including certain payment information, such as your encrypted bank account and/or routing numbers, in the US and elsewhere in the world where our facilities or our service providers are located. We protect your personal information by maintaining physical, electronic, and procedural safeguards in compliance with the applicable laws and regulations.

For example, we use computer safeguards such as firewalls and data encryption, we enforce physical access controls to our buildings and files, and we authorize access to personal information only for those employees who require it to fulfill their job responsibilities. Full credit card data is securely transferred and hosted off-site by payment vendors like Worldpay, (UK) Limited, Worldpay Limited, or Worldpay AP Limited (collectively "Worldpay") in compliance with Payment Card Industry Data Security Standards (PCI DSS). This information is not accessible to CB or Coinbase staff. For more information about how Worldpay stores and uses your information, please see Worldpay's Privacy Policy at <https://www.worldpay.com/uk/worldpay-privacy-notice>.

However, we cannot guarantee that loss, misuse, unauthorized acquisition, or alteration of your data will not occur. Please recognize that you play a vital role in protecting your own personal information. When registering with our Services, it is important to choose a password of sufficient length and complexity, to not reveal this password to any third-parties, and to immediately notify us if you become aware of any unauthorized access to or use of your account.

Furthermore, we cannot ensure or warrant the security or confidentiality of information you transmit to us or receive from us by Internet or wireless connection, including email, phone, or SMS, since we have no way of protecting that information once it leaves and until it reaches us. If you have reason to believe that your data is no longer secure, please contact us using the contact information provided in the "How to contact us" section below.

10. RETENTION OF PERSONAL INFORMATION

We store your personal information securely throughout the life of your CB Account. We will only retain your personal information for as long as necessary to fulfill the purposes for which we collected it, including for the purposes of satisfying any legal, accounting, or reporting obligations or to resolve disputes. While retention requirements vary by jurisdiction, information about our typical retention periods for different aspects of your personal information are described below.

- Personal information collected to comply with our legal obligations under financial or anti-money laundering laws may be retained after account closure for as long as required under such laws.
- Contact Information such as your name, email address and telephone number for marketing purposes is retained on an ongoing basis until you unsubscribe. Thereafter we will add your details to our suppression list to ensure we do not inadvertently market to you.
- Content that you post on our website such as support desk comments, photographs, videos, blog posts, and other content may be kept after you close your account for audit and crime prevention purposes (e.g. to prevent a known fraudulent actor from opening a new account).
- Recording of our telephone calls with you may be kept for a period of up to six years.
- Information collected via technical means such as cookies, webpage counters and other analytics tools is kept for a period of up to one year from expiry of the cookie.

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transactions using CB Services. Please note that third parties you interact with may have their own privacy policies, and CB is not responsible for their operations or their use of data they collect. Information collected by third parties, which may include such things as contact details, financial information, or location data, is governed by their privacy practices and Coinbase is not responsible for unauthorized third-party conduct. We encourage you to learn about the privacy practices of those third parties.

Examples of account connections include:

- **Merchants:** If you use your CB account to conduct a transaction with a third party merchant, the merchant may provide data about you and your transaction to us.
- **Your Financial Services Providers:** For example, if you send us funds from your bank account, your bank will provide us with identifying information in addition to information about your account in order to complete the transaction.

Information that we share with a third party based on an account connection will be used and disclosed in accordance with the third party's privacy practices. Please review the privacy notice of any third party that will gain access to your personal information. Coinbase is not responsible for such third party conduct.

12. CHILDREN'S PERSONAL INFORMATION

We do not knowingly request to collect personal information from any person under the age of 18. If a user submitting personal information is suspected of being younger than 18 years of age, CB will require the user to close his or her account and will not allow the user to continue using our Services. We will also take steps to delete the information as soon as possible. Please notify us if you know of any individuals under the age of 18 using our Services so we can take action to prevent access to our Services.

13. INTERNATIONAL TRANSFERS

To facilitate our global operations, CB may transfer, store, and process your personal information within our Affiliates, third-party partners, and service providers based throughout the world, including Ireland, Germany, Singapore, Japan, the UK, the US, the Philippines, and possibly other countries. We will protect your personal information in accordance with this Privacy Policy wherever it is processed and will take appropriate contractual or other steps to protect the relevant personal information in accordance with applicable laws. We contractually obligate recipients of your personal information to agree to at least the same level of privacy safeguards as required under applicable data protection laws. By communicating electronically with CB, you acknowledge and agree to your personal information being processed in this way.

If you have a complaint about our privacy practices and our collection, use or disclosure of personal information please submit your request via our [Support Portal](#).

Data transferred out of the EU

We rely primarily on the European Commission's Standard Contractual Clauses to facilitate the international and onward transfer of personal information collected in the European Economic Area ("EEA"), the United Kingdom and Switzerland (collectively "European Personal Information"), to the extent the recipients of the European Personal Information are located in a country that the EU considers to not provide an adequate level of data protection. This includes transfers from our EU-based CB operating entities to our US-based operating entity, Coinbase, Inc. We may also rely on an adequacy decision of the European Commission confirming an adequate level of data protection in the jurisdiction of the party receiving the information, or derogations in specific situations.

Coinbase, Inc. is responsible for the processing of personal information it receives and subsequently transfers to a third party acting as an agent on its behalf. Before we share your information with any third party, Coinbase, Inc. will enter into a written agreement that the third party provides at least the same level of protection for the personal information as required under applicable data protection laws.

Coinbase, Inc., also participates in and has certified its compliance with the EU-US Privacy Shield Framework. Under the Privacy Shield Framework, Coinbase, Inc. is subject to the authority of the Federal Trade Commission. To learn more about the Privacy Shield Framework, visit the U.S. Department of Commerce's Privacy Shield List at <https://www.privacyshield.gov>.

European data subjects with inquiries or complaints relating to our Privacy Shield certifications should first contact CB via our [Support Portal](#) or by emailing dpo@coinbase.com. If we are unable to resolve your complaint or dispute, you may refer your complaint to our designated independent dispute resolution mechanism, the International Centre for Dispute Resolution ("ICDR"), operated by the American Arbitration Association ("AAA"). For more information and to file a complaint, you may contact the International Centre for Dispute Resolution by phone at +1.212.484.4181, or by visiting the website <https://go.adr.org/privacyshield.html>.

If your Privacy Shield complaint cannot be resolved through the above channels, under certain conditions, you may invoke binding arbitration for some residual claims not resolved by other redress mechanisms. See Privacy Shield Annex 1 at <https://www.privacyshield.gov/article?id=ANNEX-I-introduction>.

14. YOUR PRIVACY RIGHTS AND CHOICES

Depending on applicable law where you reside, you may be able to assert certain rights related to your personal information identified below. If any of the rights listed below are not provided under law for your operating entity or jurisdiction, CB has absolute discretion in providing you with those rights.

Your rights to personal information are not absolute. Depending upon the applicable law, access to your rights under the applicable law may be denied: (a) when denial of access is required or authorized by law; (b) when granting access would have a negative impact on another's privacy; (c) to protect our rights and properties; (d) where the request is frivolous or vexatious, or for other reasons.

- **Access and portability.** You may request that we provide you a copy of your personal information held by us. This information will be provided without undue delay subject to a potential fee associated with gathering of the information (as permitted by law), unless such provision adversely affects the rights and freedoms of others. In certain circumstances, you may request to receive your personal information in a structured, commonly used and machine-readable format, and to have us transfer your personal information directly to another data controller.

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We will mark your account in our database as "closed," but will keep certain account information, including your request to erase, in our database for a period of time as described above. This is necessary to deter fraud, by ensuring that persons who try to commit fraud will not be able to avoid detection simply by closing their account and opening a new account, and to comply with CB's legal obligations. However, if you close your account, your personal information will not be used by us for any further purposes, nor shared with third parties, except as necessary to prevent fraud and assist law enforcement, as required by law, or in accordance with this Privacy Policy.

- **Withdraw consent.** To the extent the processing of your personal information is based on your consent, you may withdraw your consent at any time. Your withdrawal will not affect the lawfulness of CB's processing based on consent before your withdrawal.
- **Restriction of processing.** In some jurisdictions, applicable law may give you the right to restrict or object to us processing or transferring your personal information under certain circumstances. We may continue to process your personal information if it is necessary for the defense of legal claims, or for any other exceptions permitted by applicable law.
- **Automated individual decision-making, including profiling.** CB relies on automated tools to help determine whether a transaction or a customer account presents a fraud or legal risk. In some jurisdictions, you have the right not to be subject to a decision based solely on automated processing of your personal information, including profiling, which produces legal or similarly significant effects on you, save for the exceptions applicable under relevant data protection laws.
- **Marketing communications.** You can opt-out of receiving marketing communications from CB. Direct marketing includes any communications to you that are only based on advertising or promoting our products and services. We will only contact you by electronic means (email or SMS) based on our legitimate interests, as permitted by applicable law, or your consent. If you do not want us to send you marketing communications, please go to your account settings to opt-out or submit a request via our [Support Portal](#).
 - For users in the European Economic Area, the United Kingdom and Switzerland: To the extent we can rely on legitimate interest under the applicable law, we will only send you information about our Services that are similar to those which were the subject of a previous sale or negotiations of a sale to you. We will contact you by electronic means for marketing purposes only if you have consented to such communication. You may raise such objections with regard to initial or further processing for purposes of direct marketing, at any time and free of charge.

How to make a privacy request

You can make privacy rights requests relating to your personal information by going to your [Privacy Rights Dashboard](#) or, if you cannot access the Dashboard, by contacting us via our [Support Portal](#). Our Privacy Rights Dashboard also allows you to set your communication preferences and make individual rights requests relating to your personal information. We strongly encourage you to make any individual rights requests through the Privacy Rights Dashboard because it ensures that you have been authenticated already (based on the KYC information you have provided to open your account and by providing the necessary login credentials and multi-factor authentication to access the account). Otherwise, when we receive an individual rights request via other intake methods, we may take steps to verify your identity before complying with the request to protect your privacy and security.

How to lodge a complaint

If you believe that we have infringed your rights, we encourage you to first submit a request via our [Support Portal](#) so that we can try to resolve the issue or dispute informally. If that does not resolve your issue, you may contact the CB Data Protection Officer at dpo@coinbase.com.

If you reside in the EU, you can file a complaint with the International Centre for Dispute Resolution by phone at +1.212.484.4181, or by visiting the website <http://info.adr.org/safeharbor>, or your relevant data protection authority.

In the UK, the relevant data protection authority is Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, 0303 123 1113, casework@ico.org.uk.

In Ireland, the relevant data protection authority is the Data Protection Commission, Canal House, Station Road, Portllington, R32 AP23 Co. Laois; phone: +353 (0)761 104 800; LoCall: 1890 25 22 31; Fax: +353 57 868 4757; email: info@dataprotection.ie

15. CALIFORNIA PRIVACY RIGHTS

In addition to the rights provided for above, if you are a California resident, you have the right to request information from us regarding whether we share certain categories of your personal information with third parties for the third parties' direct marketing purposes. To the extent we share your personal information in this way, you may receive the following information:

- the categories of information we disclosed to third parties for the third parties' direct marketing purposes during the preceding calendar year; and
- the names and addresses of third parties that received such information, or if the nature of their business cannot be determined from the name, then examples of the products or services marketed.

Pursuant to the California Consumer Privacy Act of 2018 ("CCPA"), California residents have certain rights in relation to their personal information, subject to limited exceptions. Any terms defined in the CCPA have the same meaning when used in this California Privacy Rights section. This section describes the categories of personal information CB has collected, the categories of personal information CB has disclosed, and a description of California residents' rights.

Categories of Personal Information Collected

The chart below described the categories of personal information CB has collected in the preceding 12 months, the sources and purpose of such collection, and the parties to whom the information was shared for business purposes.

Personal Information Category (corresponds to categories in CCPA §1798.140(o)(1))	Sources of Personal Information and Why We Collect this Information (see Section 5 above for more information)	Disclosure of Personal Information (see "Why We Share Personal Information With Other Parties" heading above for more information)
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(A) Identifiers such as Personal Identification Information	Information you provide us; Information collected from third parties; Why we collect this information: see Section 5, subsections 1, 2, 3, 4, 5, 6, 8, 9, 11, and 12	- Third party identity verification services - Financial institutions - Service providers - Professional advisors - our Affiliates
(B) Customer records such as signature	Information you provide us; Information collected from third parties; Why we collect this information: see Section 5, subsections 1, 2, 5, 6, and 11	- Third party identity verification services - Financial institutions - Service providers
(C) Protected classifications under California and federal law, including gender, age and citizenship	Information you provide us; Information collected from third parties; Why we collect this information: see Section 5, subsection 1	- Third party identity verification services - Professional advisors
(D) Commercial information such as records of services purchased, obtained, or considered	Information you provide us; Information we collect from you automatically; Information collected from third parties; Why we collect this information: see Section 5, subsections 3, 4, 5, 6, 8, 9, 10, 11 and 12	- Third party identity verification services - Financial institutions - Service providers - Professional advisors - our Affiliates
(E) Biometric information	Information you provide us; Why we collect this information: see Section 5, subsection 1	- Third party identity verification services - Financial institutions
(F) Usage Data	Information we collect from you automatically; Why we collect this information: see Section 5, subsections 2, 3, 4, 6, 7, 8, 9, 10, and 12	- Third party identity verification services - Service providers - Professional advisors - our Affiliates
(G) Online Identifiers	Information we collect from you automatically; Why we collect this information: see Section 5, subsections 1, 3, 9 and 12	- Third party identity verification services - Service Providers
(H) Sensory data, such audio, electronic, visual information	Information you provide us; Why we collect this information: see Section 5, subsections 3, 4, 5 and 7	Not applicable
(I) Professional or employment-related information	Information you provide us; Information collected from third parties; Why we collect this information: see Section 5, subsections 1, 12	- Third party identity verification services - Service providers - our Affiliates
(J) Inferences about preferences, characteristics, predispositions, etc.	Information you provide us; Information we collect from you automatically; Why we collect this information: see Section 5, subsections 9, 10, 12	- Service providers - Professional advisors - our Affiliates

California Residents' Rights

Under the CCPA, you may have the following consumer rights. Please note that these rights are not absolute and in certain cases are subject to conditions or limitations as specified in the CCPA:

- For personal information collected by us during the preceding 12 months preceding your request that is not otherwise subject to an exception, California residents have the right to access and delete their personal information. CB will not discriminate against those who exercise their rights. Specifically, if you exercise your rights, we will not deny you services, charge you different prices for services or provide you a different level or quality of services.
- To the extent we sell your personal information to third parties, you also have the right to request that we disclose to you: (i) the categories of your personal information that we sold, and (ii) the categories of third parties to whom your personal information was sold. You have the right to direct us not to sell your personal information. CB does not sell your personal information in its ordinary course of business and will never sell your personal information to third parties without your explicit consent.

Should CB engage in any of the activities listed in this section, your ability to exercise these rights will be made available to you in your account settings. You can exercise your rights by going to your [Privacy Rights Dashboard](#) or contacting us via our [Support Portal](#) so that we may consider your request.

We will need to verify your identity before processing your request. In order to verify your identity, we will generally either require the successful login to your account or the matching of sufficient information you provide us to the information we maintain about you in our systems. Although we try to limit the personal information collected in connection with a request to exercise your rights, certain requests may require us to obtain additional personal information from you. In certain circumstances, we may decline a request to exercise the right to know and right to deletion, particularly where we are unable to verify your identity.



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section 4121 to 4130. We may deny requests from authorized agents who do not submit proof that they have been authorized by you to act on their behalf, or are unable to verify their identity.

Do Not Track

Some Internet browsers - like Internet Explorer, Firefox, and Safari - include the ability to transmit "Do Not Track" or "DNT" signals. Since uniform standards for "DNT" signals have not been adopted, we do not currently process or respond to "DNT" signals.

16. HOW TO CONTACT US

If you have questions or concerns regarding this Privacy Policy, or if you have a complaint, please contact us on our [Support page](#), at dpo@coinbase.com, or by writing to us at the address of your operating entity (provided above).



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Company

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[Earn free crypto](#)
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[Card](#)

Businesses

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[Asset Hub](#)
[Commerce](#)

Developers

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[Wallet SDK](#)
[Query & Transact](#)
[Commerce](#)
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[Sign in with Coinbase](#)
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Support

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Legal

Coinbase Cookie Policy

Effective Date: October 1, 2021

This Cookie Policy explains how Coinbase, Inc. and its group companies ("Coinbase", "we", "us" and "our") use cookies and similar technologies when you visit our websites located at coinbase.com, exchange.coinbase.com, prime.coinbase.com, custody.coinbase.com, or any other websites, pages, features, or content we own or operate (collectively, the "Site(s)"), when you use the Coinbase mobile app, and/or when you interact with Coinbase online advertisements or marketing emails (collectively the "Services"). It explains what these technologies are and why we use them, as well as your rights to control our use of them.

In some cases, we may use cookies and similar technologies to collect personal information, or information that becomes personal information if we combine it with other information. In such cases the [Coinbase Global Privacy Policy](#) will apply in addition to this Cookie Policy.

If you have any questions about our use of cookies or other technologies, please submit your request via our Support Portal at <https://support.coinbase.com/customer/portal/emails/new>.

WHAT ARE COOKIES?

Cookies are small files, typically of letters and numbers, downloaded onto your computer or mobile device when you visit certain websites. When you return to these websites, or visit other websites that use the same cookies, the websites recognize these cookies and your browsing device. A cookie cannot read data off your hard drive or read cookie files created by other websites.

Cookies set by the website operator are called "**first party cookies**". Cookies set by parties other than the website operator are called "**third party cookies**". The parties that set third party cookies can recognize your web browser both when it visits the Coinbase website and when it visits certain other websites where the third party's cookies are also present.

More information on cookies and their use can be found at www.aboutcookies.org or www.allaboutcookies.org.

WHY DO WE USE COOKIES?

When you access our Sites and Services, we or companies we work with may place cookies on your computer or other device. These technologies help us better understand user behavior, and inform us about which parts of our websites people have visited.

We use first party and third party cookies to recognize you as a Coinbase customer, customize Coinbase Services, content, and advertising, to measure promotional effectiveness, and to collect information about your computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety.

We may place cookies from third-party service providers who may use information about your visits to other websites to target advertisements for products and services available from Coinbase. We do not control the types of information collected and stored by these third-party cookies. You should check the third-party's website for more information on how they use cookies.

The following are some examples of information that we collect and how we may use it:

- We may collect and store details of how you use our Sites and Services. Except in limited instances to ensure quality of our Services over the Internet, such information will not be associated with your IP address.
- We may collect information such as your language, inferred zip code or area code, unique device identifier, referrer URL, location, and time zone so that we can better understand customer behavior and improve our Services.
- We may collect information regarding customer activities on our websites and platforms, which is used to understand which parts of our Sites and Services are of most interest. This data is aggregated, and thus is considered non-personal information for the purposes of this Cookie Policy and our Global Privacy Policy.

WHAT TYPES OF COOKIES DO WE USE?

We use the following types of cookies:

Strictly Necessary Cookies

These cookies are necessary for the Sites to function and cannot be switched off in our systems. They are usually only set in response to actions made by you which amount to a request for services, such as setting your privacy preferences, logging in, or filling in forms. These also include cookies we may rely on for fraud prevention. You can set your browser to block or alert you about these cookies, but some parts of the site will not then work.

Performance/Analytics Cookies

These cookies allow us to count visits and traffic sources so we can measure and improve the performance of our Sites. They help us to know which pages are the most and least popular and see how visitors move around the site. All information these cookies collect is aggregated and therefore anonymous. If you do not allow these cookies we will not know when you have visited our site, and will not be able to monitor its performance.

Functionality Cookies

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Coinbase uses third party service providers to display advertising on our Services and serve advertising on other third party sites that may be relevant to you or your interests. These cookies are also used to help measure the effectiveness of the advertising campaign. They remember that you have visited a website and this information may be shared with other organizations, such as advertisers. This means that after you have been to our websites, you may see some advertisements about our Services elsewhere on the Internet. The information collected through this process by the third party service providers does not enable us or them to identify your name, contact details or other personal information that directly identifies you unless you choose to provide these. Such advertising will only be delivered where permitted by applicable law. If you do not allow these cookies, you will experience less advertising tailored to your inferred interests on our Sites and will not receive targeted Coinbase advertisements on third party websites.

HOW LONG WILL COOKIES STAY ON MY BROWSING DEVICE?

The length of time a cookie will stay on your browsing device depends on whether it is a "persistent" or "session" cookie. Session cookies will only stay on your device until you close your browser. Persistent cookies stay on your browsing device until they expire or are deleted.

WHAT OTHER SIMILAR TECHNOLOGIES DOES COINBASE USE?

In addition to cookies, we may use other similar technologies, like web beacons to track users of our Sites and Services. Web beacons, or "clear gifs," are tiny graphics with a unique identifier, similar in function to cookies. They are used to track the online movements of web users.

In contrast to cookies, which are stored on a user's computer hard drive or device, clear gifs are embedded invisibly on web pages and are about the size of the period at the end of this sentence. We and our third-party service provider employ web beacons for the reasons stated above (under "Cookies"), but primarily to help us better manage content on our Services by informing us which content is effective.

We may also use so-called "Flash Cookies" (also known as "Local Shared Objects" or "LSOs") to collect and store information about your use of our services, fraud prevention and for other site operations.

HOW TO MANAGE COOKIES, SIMILAR TECHNOLOGIES AND TARGETED ONLINE MOBILE ADVERTISING

You have the right to decide whether to accept cookies. You can exercise your preferences in relation to cookies served on our Sites by taking the steps outlined below.

Cookies. You can enable or disable categories of cookies by visiting our [Cookie Consent Manager](#). This includes both first party and third party cookies. You can also use the browser with which you are viewing this website to enable, disable or delete cookies. To do this, follow the instructions provided by your browser (usually located within the "Help", "Tools" or "Edit" settings), or review the instructions provided by the browsers listed here: [Internet Explorer](#), [Google Chrome](#), [Mozilla Firefox](#), [Safari Desktop](#), [Safari Mobile](#), and [Android browser](#). Please note, if you set your browser to disable cookies, you may not be able to access secure areas of the Sites and Services. Also, if you disable cookies other parts of the Services may not work properly. You can find more information about how to change your browser cookie settings at <http://www.allaboutcookies.org>.

There are also additional tools available to manage third party cookies. Many advertising companies that collect information for interest-based advertising are members of the Digital Advertising Alliance (DAA) or the Network Advertising Initiative (NAI), both of which maintain websites where individuals can opt out of interest-based advertising from their members. To opt-out of website interest-based advertising provided by each organization's respective participating companies, visit the DAA's opt-out portal available at <http://optout.aboutads.info/>, the DAA of Canada's opt-out portal available at <https://youradchoices.ca/en/tools>, or visit the NAI's opt-out portal available at <http://optout.networkadvertising.org/?c=1>. Residents of the European Union may opt-out of online behavioral advertising served by the European Interactive Digital Advertising Alliance's participating member organizations by visiting <https://www.youronlinechoices.eu/>.

Mobile Advertising: You can opt out of having your mobile advertising identifiers used for certain types of advertising by accessing the appropriate settings in your mobile device and following the instructions. If you opt-out, we will remove all data about you and will not collect any further data. The random ID previously assigned to you will be removed. Thus, if at a later stage, you decide to opt-in, we will be unable to continue and track you using the prior ID and you will for all practical purposes be a new user. For iOS devices, to limit interest-based ad tracking, go to Settings > Privacy > Advertising > Turn on "Limit Ad Tracking." For Android devices, go to Settings > Google services > Ads > Turn on "Opt out of Ads Personalization." For iOS and Android, you can also reset the advertising identifier that is currently assigned to you.

To opt-out of data collection for interest-based advertising across mobile applications by participating companies, download the DAA's AppChoices mobile application opt-out offering here: <https://youradchoices.com/appchoices>.

Do Not Track: Some Internet browsers - like Internet Explorer, Firefox, and Safari - include the ability to transmit "Do Not Track" or "DNT" signals. Since uniform standards for "DNT" signals have not been adopted, our Sites do not currently process or respond to "DNT" signals.

Flash Cookies. If you do not want Flash Cookies stored on your computer, you can adjust the settings of your Flash player to block Flash Cookies storage using the tools contained in the website storage settings panel, available here: http://www.macromedia.com/support/documentation/en/flashplayer/help/settings_manager07.html. You can also control Flash Cookies by going to the global storage settings panel and following the instructions. Setting the Flash Player to restrict or limit acceptance of Flash Cookies may reduce or impede the functionality of some Flash applications, including, potentially, Flash applications used in connection with our services or online content.

WILL THIS COOKIE POLICY BE UPDATED?

We may update this Cookie Policy from time to time to reflect, for example, changes to the cookies we use or for other operational, legal or regulatory reasons. We review cookies every 30 days to ensure accurate reflection of all cookies in this policy. If we do, you will be notified when you first visit our website after the change. You can also revisit this page if you wish to keep yourself informed.

APPENDIX A: Cookie Table

We may update this Cookie Policy from time to time to reflect, for example, changes to the cookies we use or for other operational, legal or regulatory reasons. If we do, you will be notified when you first visit our website after the change. You can also revisit this page if you wish to keep yourself informed.

Internal Cookies and Technologies

The following are first-party cookies used on properties including coinbase.com and other domains operated by Coinbase.

We use our own and third-party cookies on our websites to enhance your experience, analyze traffic, and for security and marketing. For more info or to modify cookies, see our [Cookie Policy](#) or go to [Manage Settings](#).

[Manage settings](#)
[Dismiss](#)


EXHIBIT A

CB-CLIENT	Support website performance	2 years
cb-rfm	Support website performance	10 seconds

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	enabled in the browser.	
cf_chl_rc_i	This cookie is for internal use which allows Cloudflare to identify production issues on clients.	Session
__cfduid	Security Purposes	30 days
cf_ob_info	Security Purposes	1 minutes
cf_use_ob	Security Purposes	1 year
_coinbase_lax	Security Purposes	Session
_coinbase_session	Security Purposes	30 days
_coinbase_strict	Security Purposes	Session
__cf_bm	Bot management	30 minutes
coinbase_device_id	Device identification and testing	10 years
coinbase_locale	Sets default locale/language	Session
df	Security and fraud monitoring	10 years
df2	Security and fraud monitoring	10 years
dtcookie	Used to identify user sessions.	Session
hide_cookies_message	Support website display	1 year
hide_android_banner	Support website display	1 year
japan_bespoke_content	Used for Japan testing	2 years
jwt	Authentication of users	30 days
logged_in	User routing	30 days
sft	Security purposes	Session
__ssid	Security purposes	4 years
user_agent	Used for attributing paid marketing	2 years
utm	Conversion tracking	30 minutes
utm_raw	Used for attributing paid marketing	2 years
x-login-id	Security purposes	Session
x-uuid	Security purposes	2 years
_parsely_visitor	User routing	2 years
coinbase_currency	User routing	2 years

Third-party cookies

The following are third-party cookies.

Name	Purpose	Retention	Domain
ajs_anonymous_id	Visitor tracking	1 year	Segment
ajs_group_id	Analytics tracking	1 year	Segment
ajs%3Acookies	Service and website performance	1 year	Segment
ajs%3Atest	Website visitor tracking	1 year	Segment
AMCV_regex	Website visitor tracking	2 years	Adobe Experience League - Experience Cloud Cookies
amp_regex	Website visitor tracking	2 years	Amplitude - overview of privacy and safeguarding data
amplitude_id-regex	Manages user tracking settings	Session	Amplitude - overview of privacy and safeguarding data
_ga	To provide website usage analytics for security, monitoring, and capacity review	2 years	Universal Analytics (Google) - overview of privacy and safeguarding data
_gac_UA-regex	To provide website usage analytics for security, monitoring, and capacity review	30 seconds	Universal Analytics (Google) - overview of privacy and safeguarding data

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_gat	security, monitoring, and capacity review	10 minutes	of privacy and safeguarding data
_gcl_aw	For web personalization and conversion tracking	90 days	Universal Analytics (Google) - overview of privacy and safeguarding data
_gid	To provide website usage analytics for security, monitoring, and capacity review	1 day	Universal Analytics (Google) - overview of privacy and safeguarding data
JSESSIONID	Application performance analytics	Session	New Relic - overview of privacy and safeguarding data
__tld__	Analyze usage trends	Session	Segment
optimizelyEndUserId	For web experimentation and personalization	Session	Optimizely
VISITOR_INFO1_LIVE	Used to embed videos	8 months	Youtube - overview of privacy and safeguarding data
YSC	Used to embed videos	Session	Youtube - overview of privacy and safeguarding data
AA003	Conversion tracking	30 days	Facebook - overview of privacy and safeguarding data
ATN	Conversion tracking	2 years	Facebook - overview of privacy and safeguarding data
fr	Conversion tracking	3 months	Facebook - overview of privacy and safeguarding data
_ga_regex	To provide website usage analytics for security, monitoring, and capacity review	1 year	Google - overview of privacy and safeguarding data
_gac_gb_regex	Ads targeting for Google	90 days	Google - overview of privacy and safeguarding data
_gat_gtag	Ads targeting for Google and conversion tracking	1 minute	Google - overview of privacy and safeguarding data
_gat_UA-regex	Analyze usage trends	2 years	Google - overview of privacy and safeguarding data
_gat_gtag_UA_-regex	Analytics generated to distinguish users	2 years	Google - overview of privacy and safeguarding data
gcl	Ads targeting for Google and conversion tracking	3 months	Google - overview of privacy and safeguarding data
_gcl_au	Ads targeting for Google and conversion tracking	90 days	Google - overview of privacy and safeguarding data
GPS	Analytics generated to distinguish users	30 minutes	Google - overview of privacy and safeguarding data
_hp2_id.regex	For web personalization and conversion tracking	1 day - 2 years	Heap Privacy Policy
IDE	Ads targeting for Google and conversion tracking	1 year	Google - overview of privacy and safeguarding data
iterableTemplated	For web experimentation and personalization	1 day	Browser cookies set by Iterable
iterableMessageld	For web personalization	1 day	Browser cookies set by Iterable
iterableEndUserId	User Analytics	1 day	Browser cookies set by Iterable
iterableEmailCampaignId	Contains a unique ID associated with the email's campaign in Iterable.	1 day	Browser cookies set by Iterable
LPSID-regex	Tracks the current active (or last) monitoring session.	Session	Liveperson - Cookies and conversational cloud overview
mp_regex	Cookie is placed by Mixpanel. Mixpanel is a company that produces user behavior analytics.	1 year	Mixpanel Developer Docs
NID	Ads targeting for Google and conversion tracking	6 months	Google - overview of privacy and safeguarding data
perf_dv5	Contains information to help distinguish users from the page. Gathers data about user visits, such as which pages are relevant	1 day	AllRebaling - Privacy Cookies

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rl_anonymous_id	to every subsequent event. Helps identify users from other sites that are hosted under a sub-domain.	1 year	Rudderstack SDK FAQs
rl_user_id	Stores user with your application's unique identifier like email, database ID etc and attaches to every event.	1 year	Rudderstack Javascript SDK
rl_group_id	Collects user activity on the web.	1 year	Rudderstack Javascript SDK
LPVID	Provides a visitor ID as identified in Conversational Cloud. Identifies a browser as long as cookie is not deleted.	1 year	Liveperson - Cookies and conversational cloud overview
__profilin	Developer only, used by rack-mini-profiler to bypass work.	Session	https://www.rubydoc.info/gems/rack-mini-profiler/0.9.6/Rack/MiniProfiler/ClientSettings
__utma	Used to distinguish users and sessions. The cookie is created when the javascript library executes and no existing __utma cookies exist. The cookie is updated every time data is sent to Google Analytics.	2 years	Google Analytics Cookie Usage on Websites
plaid_oauthnonce	Used to identify returning users during the Plaid oauth flow	2 years	Plaid OAuth Guide
gclid	Used for attributing Google marketing	2 years	How Google Ads tracks website conversions
fbclid	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
_fbcc	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
_fbp	Used for attributing Facebook marketing	3 months	Facebook for Developers - Marketing API
wd	Used for attributing Facebook marketing	1 week	Facebook for Developers - Marketing API
dpr	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
act	Used for attributing Facebook marketing	1 year	Facebook for Developers - Marketing API
c_user	Used for attributing Facebook marketing	30 days	Facebook for Developers - Marketing API
presence	Used for attributing Facebook marketing	1 year	Facebook for Developers - Marketing API
sb	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
xs	Used for attributing Facebook marketing	3 months	Facebook for Developers - Marketing API
spin	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
datr	Used for attributing Facebook marketing	2 years	Facebook for Developers - Marketing API
msclkid	Ads targeting for Microsoft and conversion tracking	2 years	Microsoft Campaign Management Data Objects

coinbase

English



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EXHIBIT B

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----- Original Message -----

From: Coinbase Support [help@coinbase.com]

Sent: 12/14/2021 9:22 PM

To: [REDACTED]

Subject: [Reply] Case #09072112 - Call for US Coinbase Support from [REDACTED] at 2021-12-14 20:46:23 -0800

Hello Ryan [REDACTED], We're working hard to quickly address this issue, and we'll reach out to you as soon as we have an update. In the meantime, please reply to this email if you have any additional questions. Thank you in advance for your patience and understanding.

Regards, Coinbase Support ref:_00D6A2G0qc._5003sX9ba2:ref

Date: 2021-12-15 18:25:16 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Hello, Just following up on my account being hacked. I wanted to see if the fraud department has any recommendations for next steps? Is this something that I should be reporting to law enforcement or what is best way to handle this? Thank you, Ryan Dellone

Sent from my iPhone

> On Dec 14, 2021, at 9:22 PM, Coinbase Support <help@coinbase.com> wrote:

> > Hello Ryan [REDACTED],

> > We're working hard to quickly address this issue, and we'll reach out to you as soon as we have an update.

> > In the meantime, please reply to this email if you have any additional questions.

> > Thank you in advance for your patience and understanding.

> > Regards, > Coinbase Support > > ref:_00D6A2G0qc._5003sX9ba2:ref

Date: 2021-12-17 06:21:31 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

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To_address: [REDACTED]

Message: Hello Ryan,

Thank you very much for the updated information. Our team has been able to successfully transfer the balance from your old account to your new one. You should be able to access these funds immediately. We appreciate your patience during this process. Please let us know if you have additional questions by replying to this email.

Kind regards, Coinbase Support Ja ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-17 22:03:09 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Hello, I am only seeing a balance of \$241. How much was the total transfer? Do I have a new account that I haven't accessed yet? Ryan

Sent from my iPhone

> On Dec 16, 2021, at 10:21 PM, Coinbase Support <help@coinbase.com> wrote:

> > Hello Ryan,

> > Thank you very much for the updated information.

> > Our team has been able to successfully transfer the balance from your old account to your new one. You should be able to access these funds immediately.

> > We appreciate your patience during this process. Please let us know if you have additional questions by replying to this email.

> > Kind regards, > Coinbase Support > > Ja > > ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-17 23:01:08 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello Ryan, Your Coinbase account is currently restricted due to an owed balance caused by an unsuccessful payment for a transaction that was credited to your Coinbase Digital Wallet.

EXHIBIT B

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Per the terms of the User Agreement, you are responsible for the owed balance in your Coinbase account. On 2021-12-14 your bank reversed a charge of \$1,025.00 for your attempted purchase on 2021-12-14 for BTC. The reference code for this transaction is LN9SRQLL.

On 2021-12-14 your bank reversed a charge of \$200.00 for your attempted purchase on 2021-12-14 for BTC. The reference code for this transaction is CBEXSQN6.

Therefore, you currently have an owed balance of \$1,225.00 which you will need to pay before you are eligible for a review of your purchasing ability.

To view your owed balance and make a payment to resolve this balance, please visit:

https://www.coinbase.com/payment_required

You will be directed to a yellow banner that lets you know a transaction was reversed and a button to “Make Payment”. Selecting “Make Payment” will allow you to choose your payment method from a drop-down menu.

If you would like to cash in digital currency from an external wallet to resolve the owed balance, you can find your crypto addresses here <https://www.coinbase.com/addresses>

Due to restrictions placed by most card issuers, debit cards cannot be used to resolve a negative balance on a Coinbase account. For additional information regarding reversals, please contact your bank directly. Coinbase is not responsible for crediting your bank account for any fees incurred by your bank due to reversals.

Thank you, Coinbase Support ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-18 00:22:43 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Hello, There is an ongoing investigation by your fraud team. My account was hacked and the \$1225 transaction was done fraudulently. There should be notes on my file describing the situation. You said there was money transferred to my account my account but I do not see this in my balance? Ryan Sent from my iPhone

> On Dec 17, 2021, at 3:01 PM, Coinbase Support <help@coinbase.com> wrote:

> > Hello Ryan,

> > Your Coinbase account is currently restricted due to an owed balance caused by an unsuccessful payment for a transaction that was credited to your Coinbase Digital Wallet. Per the terms of the User Agreement, you are responsible for the owed balance in your Coinbase account.

EXHIBIT B

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> > On 2021-12-14 your bank reversed a charge of \$1,025.00 for your attempted purchase on 2021-12-14 for BTC. The reference code for this transaction is LN9SRQLL.

> > On 2021-12-14 your bank reversed a charge of \$200.00 for your attempted purchase on 2021-12-14 for BTC. The reference code for this transaction is CBEXSQN6.

> > Therefore, you currently have an owed balance of \$1,225.00 which you will need to pay before you are eligible for a review of your purchasing ability. To view your owed balance and make a payment to resolve this balance, please visit:

https://www.coinbase.com/payment_required

> > You will be directed to a yellow banner that lets you know a transaction was reversed and a button to "Make Payment". Selecting "Make Payment" will allow you to choose your payment method from a drop-down menu.

> > If you would like to cash in digital currency from an external wallet to resolve the owed balance, you can find your crypto addresses here <https://www.coinbase.com/addresses> > > Due to restrictions placed by most card issuers, debit cards cannot be used to resolve a negative balance on a Coinbase account.

> > For additional information regarding reversals, please contact your bank directly. Coinbase is not responsible for crediting your bank account for any fees incurred by your bank due to reversals.

> > Thank you, > Coinbase Support > > ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-18 00:38:02 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello Ryan,

Thank you for contacting Coinbase Support regarding your recent account activity. Prior to a further review of your account, we request that you generate and review a transaction history report for your inquiry. To do so, please navigate to the following page:

<https://www.coinbase.com/reports>

1. Click the "Generate report" button
2. Filter the report if applicable
3. Select the file type that best suits your needs
4. Click "Generate report" to download

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If you still have questions regarding any transaction(s) in your account after reviewing the report, please locate the transaction(s) in question and provide the following information:

- Reference Code (can be found in email receipt) - Amount (fiat value and crypto value)
- Date of Order

Please provide information regarding your specific inquiry in order for us to best assist you.

Once we have this information we will review your account and provide you with further assistance.

Thank you, Coinbase Support ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-18 01:30:12 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: I'm sorry why do I need to request a transaction history? I was told your fraud team is performing an investigation. Sent from my iPhone

Date: 2021-12-18 05:48:48 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hi Ryan,

Thanks for contacting us. It appears your account is restricted due to reversed transactions with your bank and an outstanding balance owed to Coinbase.

We understand that your account may have been compromised and unauthorized activity occurred. Customers are responsible for the security of their devices and passwords, and for any activity that occurs when those devices or passwords are compromised. P

lease read our security page for more information:

<https://support.coinbase.com/customer/en/portal/articles/1447997>

We recognize the difficult position this puts you in. However, we cannot reimburse or credit you for this outstanding balance owed to Coinbase because once digital currency is purchased or sent off the platform, we are unable to reverse these transactions.

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Please note: For Coinbase to consider restoring the purchasing ability for your Coinbase account in the future, you will first need to first resolve the outstanding balance owed to Coinbase.

Regards, Coinbase Support ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-18 06:53:21 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: I was told someone from the investigation team was going to reach out to me? When is this going to happen? Sent from my iPhone

Date: 2021-12-18 10:56:23 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello Ryan,

Our decision remains final, and we're unable to make the requested changes to your Coinbase account. As a security measure, we can't elaborate on our internal decision process. Thank you for your understanding.

Kind regards, Coinbase Support ref: _00D6A2G0qc._5003sXAEIt:ref

Date: 2021-12-18 16:31:00 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: I'm not sure what requested changes you're referring to? What changes have I requested? When I called to report the account had been hacked, I was told by your coinbase representative that another representative from the fraud team would be contacting me. Is this not true? Sent from my iPhone

EXHIBIT B

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Date: 2021-12-21 07:44:23 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Hello,

My account was hacked and I was told someone from the fraud team would be reaching out to me regarding the status of the investigation. I have not received an update yet, can someone please give me a call?

Thank you, Sent from my iPhone

Date: 2021-12-21 09:26:38 UTC

From_address: [REDACTED]

Subject: Hacked Account

Message: Please have someone call me at [REDACTED]. Thank you

Date: 2021-12-21 09:26:40 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello,

Thanks for submitting your request to Coinbase Support. We're here to help and will be in touch as soon as possible. In the meantime, you can find answers to many of your questions by visiting our Help Center .

Regards, Coinbase Support

ref: _00D6A2G0qc._5003sXB894:ref ©2021 Coinbase www.coinbase.com | Help Center |
User Agreement and Privacy Policy

Date: 2021-12-21 09:42:11 UTC

From_address: help@coinbase.com

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From_name: Coinbase Support

To_address: [REDACTED]

Message: Hi Ryan,

We wanted to go ahead and acknowledge that we've received your inquiry. Also, because you've previously written to us about this same issue, we're going to merge your cases into a single email thread. We're working hard to quickly address this issue, and we'll reach back out as soon as we have an update.

In the meantime, if you have any other questions about this issue please feel free to reply back to this email.

Regards, Coinbase Support ref:_00D6A2G0qc._5003sX9ba2:ref

Date: 2021-12-21 10:29:30 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Thank you so much! Ryan Sent from my iPhone

Date: 2021-12-23 18:09:44 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello Ryan,

Thank you for your patience. To complete our security review, we need to verify your identity. Please upload a dated "ID Selfie" that shows your face and ID, both clearly visible, with you holding a piece of paper that reads "For Coinbase Verification" and has today's date.

Please note: Your face, ID and the piece of paper need to be present in the same picture. Upload your ID Selfie through our secure SendSafely portal

<https://coinbase.sendsafely.com/dropzone/cx-files/09072112>

Please use the same email address that you used for this support case. Also, we recommend using a desktop browser (Google Chrome works best) rather than a mobile browser.

After we receive your ID Selfie, we'll review it and get back to you. Thank you for your patience. Kind

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Regards, Coinbase Support

Date: 2021-12-27 00:10:06 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello,

We need additional information from you before we can resolve this case. If you still require support with this inquiry, please reply to our original email with the needed information.

If you are unable to locate our emails in your inbox, please check your spam and trash folders as some email providers automatically filter our automated messages as spam.

If you no longer require support, please let us know and we'll close the case. We'll send a follow-up email every five days to check if you still need support with this inquiry.

Thanks, Coinbase Support

ref: _00D6A2G0qc._5003sX9ba2:ref ©2021 Coinbase www.coinbase.com | Help Center | User Agreement and Privacy Policy

Date: 2021-12-27 04:16:19 UTC

From_address: [REDACTED]

From_name: Ryan Dellone

To_address: help@coinbase.com

Message: Hello,

I have uploaded the ID selfie verification.

Thank you, Ryan Sent from my iPhone

Date: 2021-12-30 10:03:11 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

EXHIBIT B

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To_address: [REDACTED]

Message: Hello Ryan,

Thanks for the additional information. We have put a hold on your account's ability to login for the time being until you are certain that your account is secure. No new outgoing transactions will be possible while the account is disabled, but pending transactions cannot be stopped due to the irrevocable nature of digital currency transactions.

We have a few questions that will help us begin isolating the incident. Please note: that for security reasons, Coinbase phone support agents are not able to conduct security investigations.

We must complete a security review by email before we will be able to unlock your account, so please answer these questions in writing to the best of your ability, even if you think you have resolved your concern:

- 1) Was the device in your possession during the unauthorized activity?
- 2) Have you been in touch with any customer service representative via phone or social media recently? If so, please provide us with the phone number or URL.
- 3) Have you suffered any noticeable interruption in your phone service or been a victim of a phone port/sim swap?
- 4) Have you received any unrequested email or SMS message from Coinbase that prompted you to click a link and enter your login credentials? If so, please send us a screenshot of that message so we can take a look.
- 5) Do you use or have installed any remote desktop software recently?
- 6) Have you recently installed any software or browser's extension? If so, could you run a malware scan on your device and let us know the results?
- 7) Can you provide any further information about how your credentials could have been compromised? As a security precaution, please immediately take steps to secure your email password and enable 2-step verification on your email if possible.

Please also reset your Coinbase password, go to this link:

https://www.coinbase.com/password_resets/new

For additional information on setting a strong password go to this link:

<https://www.coinbase.com/password-faq> We strive to investigate all security reports within 10 business days.

Some cases may require additional time for investigation due to the sensitive nature of irrevocable digital currencies. Thank you for your patience as we work to resolve the issue.

Regards, Coinbase Support ref:_00D6A2G0qc._5003sX9ba2:ref

EXHIBIT B

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Date: 2022-01-05 02:47:51 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hello Ryan,

Thanks for your patience while we investigated your case.

Our records show that on 2021-12-14 3:30 PM PST, your Coinbase account password was accessed using a 2-step verification code sent to your verified mobile number using a Windows NT 10.0 device, from a VPN Protected IP address: 193.27.12.10.

This device was also confirmed for use with your account via the new device confirmation link sent to your email address.

As your 2FA method is set to SMS, we highly suggest you contact your service provider to ensure only you are in control of your number, as our investigation indicates your phone number may have been compromised.

After your account was accessed, the following transactions occurred:

*2021-12-14 3:43 PM PST pro_deposit -2.05698427 BTC was transferred to your Coinbase Pro account. *2021-12-14 4:06 PM PST Coinbase Pro Withdrawal of 2.05647401 BTC sent to external address bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm, with crypto_transaction_hash: dbaba1aad772b7e62995668f69ddf73d4d20031f5fe15cd4d23a618e831c1fe1

Please immediately take these security steps to secure access to your Coinbase account:

1. Remove email forwarding—often these third parties use email forwarding to intercept future emails
2. Create a new unique and complex email password
3. Add 2-step verification to your email (highly recommended)
4. Reset your Coinbase password at www.coinbase.com/password_resets/new after your email is secure
5. Respond directly to this email for account recovery instructions once these steps are complete

Once you have secured your Coinbase account with the steps above, please reply back to this email—your account will remain disabled until you do so. Please also report this potential theft to all law enforcement agencies in your area.

Coinbase is committed to full cooperation in all law enforcement investigations.

EXHIBIT B

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Please note, Coinbase is unable to reverse digital currency transactions. Lastly, an Account Statement for 12/01/2021 to 01/05/2022 has been included in this email, but due to the sensitive nature of these documents, it can only be viewed using our secure portal, Send Safely, through this link: https://coinbase.sendsafely.com/receive/?thread=0TZA-2BYJ&packageCode=x7Rjyg2l2m0rQ0ZdjKBdPmboby4djQ0M9lInsdY4Eyk#keyCode=bXEPGyKh6vLaZ3NsV3eA7bc3AIYSYZYHoPRaq_tJEhE

Please use the same email address that you used for this support case. Also, we recommend using a desktop browser (Google Chrome works best) rather than a mobile browser.

If you have any additional information on how your credentials were compromised by the unknown third party, please let us know. T

hanks, Coinbase Support ref: _00D6A2G0qc._5003sX9ba2:ref

EXHIBIT B

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Date: 2021-12-15 06:01:07 UTC

From_address: help@coinbase.com

From_name: Coinbase Support

To_address: [REDACTED]

Message: Hi Ryan [REDACTED], Thanks for letting us know that you replaced your device. We've restored access to your account as you requested.

To reset your 2-step verification method and disable your authenticator app, please follow the steps below:

1. From a computer, use your email and password to sign in at <https://www.coinbase.com/signin>
2. When prompted for your 2-step verification code, select "I need help."
3. Select "I can't access my authenticator app anymore."
4. Follow the instructions to complete Account Recovery. Note: If you do not receive a 2-step verification prompt after signing in, try clearing your browser cache or following the above steps in your browser's private mode.

This process must be completed through the website and cannot be completed using the mobile app. For security reasons, you'll be asked to provide a photo of the front and back of your ID and a photo of yourself taken at the time of the prompt.

After 24 hours have passed from your completion of all the steps above, you should be able to sign in to your account via SMS codes and complete buys and sells.

If you do not receive your SMS codes, or have any issues, please reach out to us. To protect your account from any unauthorized activity while you're completing the account recovery process, we've blocked all outgoing transactions.

IMPORTANT: After you've recovered your account, please let us know by replying to this email, so we can remove the lock on it. Otherwise you won't be able to trade or complete any transactions after regaining access.

Please note: that for your security, we are not able to completely remove 2-step verification.

Regards, Coinbase Support

THE LAW OFFICE OF ETHAN MORA
1140 E. Herndon Ave., Suite 103
Fresno, CA 93720

Thursday, April 20, 2023
CCPA Letter to Coinbase

By U.S. Mail:

Coinbase, Inc. (CA Entity Nos. C4315976; C3548456)
c/o C T Corporation System
818 West Seventh St., Ste. 930
Los Angeles, California 90017

Coinbase Inc. (Legal Team)
c/o CSC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833-3505

Coinbase Custody Trust Company, LLC
c/o C T Corporation System
28 Liberty Street
New York, New York 10005

Via Email: legal@coinbase.com ; eric.wasik@coinbase.com ; dpo@coinbase.com ;
help@coinbase.com ; support@coinbase.com

Attachments: *A, B*

Attn: Coinbase Legal (Erik Wasik, Senior Counsel, Customer Disputes)

Re: **Notice of Violations of California Consumer Privacy Act (§§ 1798.100 *et seq.*);**
California Consumer Legal Remedies Act (§§ 1770, *et seq.*); California's Shine the Light Law
(§§ 1798.83 *et seq.*); and California Penal Code § 496 (buying/receiving stolen property)

Coinbase:

My office represents Ryan Dellone ("my client"), a California resident who has been a Coinbase customer since October 2013, in connection with the losses and harms he sustained as a result of cybersecurity breaches and/or unauthorized account access, which occurred in late 2021 and resulted in the theft of my client's cryptocurrencies as well as substantial interferences with my client's private, sensitive, confidential, personal, and financial information, data, and other assets hosted by Coinbase, on the Coinbase Platform.

At least three support tickets were opened by Coinbase related to this matter: Case # 09072112; Case # 09169654; and Case # 09112576.

THE LAW OFFICE OF ETHAN MORA
1140 E. Herndon Ave., Suite 103
Fresno, CA 93720

Thursday, April 20, 2023
CCPA Letter to Coinbase

BACKGROUND

As of writing, my client still has not obtained complete and accurate customer account information from Coinbase in response to his request. Mr. Dellone is also still unable to log in to his Coinbase account; and for more than a year, Mr. Dellone has endured the wrongful deprivation of more than 2.06 bitcoins, despite Mr. Dellone: (i) timely reporting the fraudulent activity to Coinbase; (ii) sufficiently proving his identity to Coinbase upon Coinbase's request; and (iii) complying with the Dispute Resolution Process set out in Coinbase's (unconscionable and unenforceable) User Agreement.

Prior to December 2021, Coinbase exposed many of its customers' credentials, including Mr. Dellone's email address, to unauthorized third-parties. Not only did Coinbase leak its customers' email addresses to unauthorized third-parties, Coinbase allowed its customers' email addresses to be exploited by hackers who Coinbase knew, or should have known, were seeking to verify Coinbase customer phone numbers as part of concerted efforts to interfere with cellular phone subscription services used by Coinbase and its customers to "secure" assets in Coinbase's custody.

In the years leading up to the theft, Coinbase knew that bad actors were successfully leveraging leaked Coinbase credentials to identify, confirm, and unlawfully seize cellular services tied to Coinbase accounts. Coinbase also knew that its own "developer tools" and various vulnerabilities on Coinbase's webpages and in its operational security, gave the general public, including scammers and black-hat hackers, the ability to gain unauthorized access to consumer financial accounts hosted by Coinbase (on the Coinbase Platform).

Since at least 2017, Coinbase has known that unauthorized SIM Swaps pose uniquely severe risks to Coinbase customers in particular. Between 2018 and 2022, Coinbase observed a dramatic increase in the number of electronic financial transactions on the Coinbase Platform accomplished by unauthorized SIM Swaps—this rise in phone-based fraud was well documented by Coinbase users and the media.¹

Before December 2021, Coinbase could have addressed multiple critical vulnerabilities on its Platform by simply complying with widely-known, industry-standard good practices. For instance, instead of programming its webpage response forms to leak customer-account-specific email addresses to unauthorized third-parties (*e.g.*, responding to a sign-up request with, "An account with that email already exists"), Coinbase could have easily reprogrammed its automated response

¹ See, *e.g.*, CoinTelegraph, *Round-Up of Crypto Exchange Hacks So Far in 2019 — How Can They Be Stopped?*, (published June 18, 2019); KrebsOnSecurity, *How Coinbase Phishers Steal One-Time Passwords* ("the phishing group appears to have identified Italian Coinbase users by attempting to sign up new accounts under the email addresses of more than 2.5 million Italians."); ZDNet, *Coinbase sends out breach notification letters after 6,000 accounts had cryptocurrency stolen* (published Oct. 1, 2021).

THE LAW OFFICE OF ETHAN MORA
1140 E. Herndon Ave., Suite 103
Fresno, CA 93720

Thursday, April 20, 2023
CCPA Letter to Coinbase

forms according to common sense (e.g., “Please check your email for further instructions,” or “We sent an email to that address”).

No significant barriers could have reasonably prevented Coinbase from fixing its webpage response forms prior to December 2021.

Nevertheless, virtually anyone capable of making a prank phone call could, in combination with an unauthorized “SIM Swap” attack, use credentials leaked by Coinbase to take complete control, or wipe, or launder ill-gotten gains through, *etc.* hundreds if not hundreds of thousands of Coinbase customer accounts.

When I began assisting Mr. Dellone in January 2022, I requested (on multiple occasions) that Coinbase provide my office with Mr. Dellone’s Coinbase account transaction reports, account history, and other relevant data that I believe is necessary for my office/Mr. Dellone to conduct a thorough investigation into the unauthorized access of his account, the breaches of the Coinbase Platform affecting my client’s data, and the theft and current whereabouts of Mr. Dellone’s assets, and to advise my client accordingly.

On January 3, 2022, I requested the following information from Coinbase (see *Attachment A*):

- The full transaction history for Mr. Dellone’s account, from November 1, 2021 to the present, showing each and every buy and sell transaction, including the entire wallet addresses (both the sender and recipient addresses) and blockchain transaction IDs for every blockchain transaction involving his account assets;
- The Log-in history / Access (or Activity) Log for Mr. Dellone’s account, showing the dates, times, IP addresses, geolocation data, session length, and browser types for all activity during the period of time from November 1, 2021 to the present; and
- All other data included in the statement of account for Mr. Dellone’s Coinbase account.

Senior Counsel for Coinbase, Erik Wasik, responded to my request, initially by providing my office with an essentially useless “account statement” purporting to show transactions involving only Mr. Dellone’s Coinbase Pro Account.

Mr. Wasik told me, via email, that Coinbase is only providing me and my client information “as a courtesy”—but California law requires Coinbase to provide the requested information.

Mr. Wasik also informed me that Coinbase would not consider restoring access to my client’s Coinbase account “until he satisfies his negative balance with [Coinbase]”—the CCPA prohibits Coinbase from denying Mr. Dellone services, or providing Mr. Dellone a different level or quality services, in response to him exercising his rights under the CCPA.

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1140 E. Herndon Ave., Suite 103
Fresno, CA 93720

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On January 4, 2022, I reminded Mr. Wasik that “Mr. Dellone is a California resident; accordingly, he’s afforded applicable statutory rights pursuant to, inter alia, the California Consumer Privacy Act (‘CCPA’).” See *Attachment A*. I also specifically requested, on behalf of Mr. Dellone, that Coinbase provide:

- Information regarding Mr. Dellone’s interaction with Coinbase’s products and/or services (including but not limited to the Coinbase website(s), application(s), and advertisements);
- Inferences drawn by Coinbase from any of the information identified in the CCPA to create a profile about Mr. Dellone reflecting his preferences, characteristics, psychological trends, preferences, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes (for example, the days and times when Mr. Dellone tends to access his Coinbase account); and
- The categories of sources from which Coinbase collected Mr. Dellone’s Personal Information, including but not limited to:
 - Unique personal identifier(s)
 - Online identifier(s);
 - IP address(es);
 - Email address(es);
 - Geolocation data;
 - Records of personal property;
 - Products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies;
 - Browsing history;
 - Search history; and
 - Log-in history.

On January 25, 2022, Coinbase provided its response in the form of a .TXT file.

My office subsequently determined that the information Coinbase provided is incomplete and/or inaccurate. For that reason, among others, Coinbase’s responses to Mr. Dellone’s requests are insufficient to satisfy Coinbase’s requirements under the CCPA.

I. CCPA Violations (See *Attachment B*)

In violation of the CCPA, Coinbase has: **(a)** assisted criminal hackers involved in breaching the Coinbase Platform, or in their continuing efforts to exploit Mr. Dellone’s assets and remain unknown to Mr. Dellone; **(b)** withheld information Coinbase has collected from and about my client’s Coinbase account, including relevant records related to the scope of Mr. Dellone’s sensitive and personal information affected by breaches of the Coinbase Platform; and **(c)** subjected Mr. Dellone’s data to unauthorized access, exfiltration, theft, and disclosure that

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Coinbase caused when it violated its duties to implement and maintain reasonable security procedures and practices appropriate to the nature and sensitivity of my client's data.

A. Right to Non-Discrimination

Under the CCPA, businesses are not permitted to deny a customer goods or services, charge a customer a different price, or provide a different level or quality of goods or services to a customer, merely because a customer has exercised his or her rights under the CCPA. Coinbase has violated the CCPA by denying Mr. Dellone access to his Coinbase account for over a year (and counting), and by providing insufficient replies and incomplete or doctored information in response to Mr. Dellone's previous information requests regarding the breach of his consumer financial accounts and Coinbase's unauthorized leaks of his personal data.

B. Personal Information Security Breaches

According to my investigation, Coinbase's webpage vulnerabilities allowed hackers to identify and confirm Mr. Dellone's Coinbase-associated email address and phone number; and based on that information, the hackers were able to exploit automated software programs and Coinbase's own "developer tools" in their attempts to brute force Mr. Dellone's Coinbase account password and/or engage in credential stuffing for the same purpose, prior to attempting to "SIM Swap" Mr. Dellone.

The hackers may have also been able to use Coinbase's developer tools to verify Mr. Dellone's Coinbase account data and check the balance of digital assets stored in Mr. Dellone's Coinbase account, prior to, or as a part of, their concerted efforts to steal his property.

Under the CCPA, any consumer—whose nonencrypted and nonredacted personal information; or whose email address in combination with a password or security question and answer that would permit access to the account—is subject to an unauthorized access and exfiltration, theft, or disclosure by a business, as a result of the business's violation of its duty to implement and maintain reasonable security procedures and practices appropriate to protect the information, based on the nature of the information. Aggrieved consumers are entitled to recover:

- Actual damages;
- Injunctive or declaratory relief; and
- Any other relief the court deems proper.

On December 14, 2021, and on previous and subsequent occasions, Coinbase improperly disclosed Mr. Dellone's first and last name, email address, and one or more Coinbase security answers (*e.g.*, phone number used with 2FA), and subjected to unauthorized access, exfiltration, theft, or

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disclosure at least one of the following nonencrypted and nonredacted items of Mr. Dellone's personal information—his:

- Social security number;
- Driver's license number;
- Tax identification number;
- Financial account number;
- Bank card number combined with Coinbase access code and/or password that allowed hackers access funds in Mr. Dellone's bank account;
- Unique biometric data used to identify Mr. Dellone's identity; and/or
- Unique biometrics data stored for facial and/or voice and/or online behavioral recognition purposes.

C. Prop 24 Rights

As of January 1, 2023, businesses, including Coinbase, are responsible for taking additional steps to protect Coinbase customers' private information, including:

- Ceasing to share information upon the consumer's request;
- Correcting any inaccurate personal information upon a consumer's request; and
- Taking reasonable security measures to protect personal information.

Coinbase has intentionally and unlawfully ceased sharing information with Mr. Dellone, apparently as a result of his requests for Coinbase's disclosure of information. Because Coinbase has ceased sharing information with my client, Mr. Dellone remains unable to determine the accuracy of the personal information Coinbase is sharing about him.

Coinbase also has not provided Mr. Dellone with complete or accurate statements of the personal information that Coinbase has collected on my client. Coinbase's failure to provide this information adversely impacts my client's right to correct inaccurate personal information that Coinbase has about him; and to limit Coinbase's use and disclosure of sensitive personal information that Coinbase has collected about him.

Because Coinbase has prevented Mr. Dellone from accessing his Coinbase account for over a year, my client has been unable to determine the accuracy of the personal information Coinbase has collected about him.

Additionally, at least during the period of time between December 2021 and February 2021, Coinbase failed to satisfy its obligations to implement reasonable security measures designed to protect the sensitive personal information Coinbase collected about Mr. Dellone.

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D. Harms Sustained As A Result of Breach

Mr. Dellone has suffered injuries stemming from Coinbase's loss and unauthorized exposure of his valuable, personal, private, and sensitive digital data, including:

- (1) Continued risks to Mr. Dellone's PII, to the extent it is still in Coinbase's possession and subject to further unauthorized disclosures, for as long Coinbase fails to take appropriate measures to protect my client's PII;
- (2) Lost or diminished value of his cyber-identification data—for instance, whereas legitimate buyers of user data compensate users with contracted-for services in exchange for personal information, now, as a result of Coinbase's disclosures to unauthorized third-parties, hackers can now obtain this data for free;
- (3) Out-of-pocket expenses associated with the prevention, detection, and recovery from identity theft, tax fraud, and unauthorized use of Mr. Dellone's Personally Identifiable Information ("PII");
- (4) Lost opportunity costs associated with efforts expended and Mr. Dellone's loss of productivity by attempting to mitigate the consequences of the Coinbase's actions and omissions, including but not limited to Mr. Dellone's lost time at an estimated average loss of \$125 per hour in lost labor hours, which he has spent or must spend restoring the ability to log into and completely recover his Coinbase account; dealing with impersonation activities, including phishing emails; reviewing his credit reports; scrutinizing his financial information; mitigating his potential losses; detecting identity theft; and changing his passwords; and
- (5) Future costs in terms of loss of time, effort, and money that will be expended to monitor, prevent, detect, contest, and repair the impact of the cyber-identification data compromised as a result of Coinbase's actions and omissions, for the remainder of Mr. Dellone's life.

E. Requested Remedies For CCPA Violations

Mr. Dellone hereby demands that Coinbase:

- (1) **Immediately provide Mr. Dellone access to his Coinbase account;**
- (2) **Compensate Mr. Dellone for the actual costs he incurred as a result of the conversion of his property;**
- (3) **Immediately cease sharing and selling Mr. Dellone's information; and**

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- (4) To the extent Coinbase has not already taken reasonable security measures necessary to protect Mr. Dellone's personal information, immediately take such appropriate measures.**

II. CLRA Violations

A. *Sections 1770(a)(5), (7), and (9)*

Among other statements made by Coinbase to its customers regarding its purported use of customer data collected from and about its customers, Coinbase specifically made the following representations in violation of section 1770(a)(5): **(a)** Coinbase claimed it used Cookies “to recognize” its customers and “to collect information about your [the Coinbase customer’s] computer or other access device to mitigate risk, help prevent fraud, and promote trust and safety”; **(b)** Coinbase stated that it engages in the “monitoring of IP addresses” as part of what it believes is a “reasonable risk-based program” aimed at complying with Anti-Money Laundering and Know Your Customer regulations. When Coinbase made these statements, Coinbase knew it was collecting IP addresses, device IDs, PII, and installing Cookies, Flash Cookies, and Web Beacons on Mr. Dellone’s devices, and collecting the information therefrom, primarily for purposes not related to security.

Among other statements, Coinbase also made the following representations, in violation of section 1770(a)(7), which indicated that Coinbase’s cybersecurity was of a particular quality, which it was not: **(c)** Coinbase claimed that no customer assets had ever been lost due to breach of the Coinbase Platform (*e.g.*, Coinbase Global Inc., SEC Form S-1, “What Sets Us Apart”); and **(d)** Coinbase represented that Coinbase customers must use a “branded” cellular telecommunications providers’ services to access Coinbase’s services and products via mobile device, and that Coinbase users are prevented from utilizing Voice-Over-Internet-Protocol (or “VOIP”) numbers with their Coinbase accounts².

In violation of section 1770(a)(9), Coinbase advertised, without the intent to sell, its services as including a means by which Coinbase customers can: **(e)** limit their liability for stolen cryptocurrencies by timely reporting unauthorized transactions to Coinbase; and **(f)** reasonably resolve their disputes, specifically disputes concerning fraudulent transactions, with Coinbase.

² See, *e.g.*, User Agreement (“Further, you [the customer] authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other *branded* wireless operator) to use your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, *solely to allow verification of your identity and to compare information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship*. See our Privacy Policy for how we [Coinbase] treat your data.”) (emphasis added).

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Additionally, in violation of section 1770(a), Coinbase represented that: **(g)** its custodial services included reasonable customer support services, including live agents who respond to customer phone calls, when Coinbase's custodial services did not, in fact, include such characteristics or benefits during the period of time between December 2021 and February 2022; and **(h)** US Dollars, which are legal tender, are essentially the same as USD Coins, which not legal tender—USD and USDC are not interchangeable assets. *See* Stamp Payments Act of 1862 (18 U.S.C. § 336).

B. Requested Remedies for CLRA Violations

Mr. Dellone demands that Coinbase:

- (1) Individually and through its agents, servants, employees, and all persons acting under, in concert with, or for Coinbase, immediately cease collecting customer cyber-identification data that Coinbase does not reasonably use to help Coinbase detect fraud involving Coinbase customer accounts hosted on the Coinbase Platform.**
- (2) Immediately cease its circulation of either or both USD and USDC on its Platform, as continuing to do so constitutes a deceptive act or practice undertaken by Coinbase in its transactions with Coinbase customers that Coinbase intended to result and, which has in fact resulted in the sale or lease of goods (digital assets) or services (custodial services) to consumers.**
- (3) Take steps to purge VOIP numbers from, and prevent VOIP numbers from being used on its Platform.**
- (4) Provide written and/or other sufficient adequate assurances that it will immediately take steps to remove all public representations, and no longer make any future public statements, indicating that “no customer assets has ever been lost due to breach of the Coinbase Platform.”**

III. Shine The Light Law Violations

As Coinbase knows, Mr. Dellone's personal information has monetary value and can be sold for a profit or exchanged for services.

Mr. Dellone requested his account data from Coinbase in January 2022, February 2022, and April 2023, and on each occasion Coinbase failed to provide him with complete, accurate, and timely information disclosures.

Coinbase failed to comply with Cal. Civ. Code § 1798.83(b)(1) when it prevented Mr. Dellone from accessing his Coinbase account, diluting the value of Mr. Dellone's personal information by

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foiling his efforts to correct misinformation, and (or because) Coinbase has deprived him of the opportunity to sell his personal information for financial gain. Accordingly, Mr. Dellone has not received the full value of the services for which he paid Coinbase.

Coinbase's failure to comply with Cal. Civ. Code § 1798.83(b)(1) has prevented Mr. Dellone from mitigating his ongoing injuries caused by the breach(es) of his financial accounts hosted by Coinbase on the Coinbase Platform.

Coinbase's failure to provide Mr. Dellone with the proper section 1798.83(b)(1) disclosures has deprived Mr. Dellone of value and caused him economic harm. Mr. Dellone has sustained, and continues to sustain, monetary injuries as a direct and proximate cause of Coinbase's violations of section 1798.83(b).

IV. Criminal Code Violations

California Penal Code § 496(a) prohibits any person from buying or receiving "any property that has been stolen or that has been obtained in any manner constituting theft or extortion, knowing the property to be so stolen or obtained, or who conceals, sells, withholds, or aids in concealing, selling, or withholding any property from the owner, knowing the property to be so stolen or obtained."

Coinbase violated California Penal Code § 496 by obtaining, concealing, selling, and/or withholding personal property (Crypto-Assets and digital U.S. dollars) stolen from Mr. Dellone, and by aiding in such criminal conduct, knowing that said property was stolen.

Mr. Dellone's demands the return of his stolen assets, or a writing by Coinbase disclaiming all rights and title to:

- The 2.05698427 bitcoins currently located at Bitcoin Public Key Address, *bc1qjp79ak6fxm4h7j0tsrwqx2n2k4tcqqveqxrvgm*;
- The Security Token rewards (and/or tokens) or "gains" from Mr. Dellone's staked/baked/invested tokens earned through his Coinbase account, which are currently in Coinbase's possession;
- Any fungible substitute property that could serve in lieu of each unique asset converted by Coinbase on and after December 14, 2021.

Under California Penal Code § 496(c), Mr. Dellone is entitled to over \$300,000—three times the amount of his actual damages, which exceed \$101,763.00.

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CONCLUSION

Coinbase has caused Mr. Dellone damages in an amount exceeding 2.06 bitcoins plus \$300,000, exclusive of costs and fees.

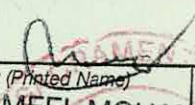
Should Coinbase wish to discuss my client's rights and his imminent claims against Coinbase (including but not limited to prospective causes of action based on Coinbase's failure to remedy the issues specifically outlined in this Letter), my contact information is below:

Email: EthanMoraLaw@pm.me

Phone: (559) 370-1485

Thank you,

The Law Office of Ethan Mora
 Ethan E. Mora, Esq.
 Attorney for Mr. Ryan Dellone

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X </p> <p>B. Received by (Printed Name) SHAMEEL MOHAMMED</p> <p>C. Date of Delivery APR 21 2023</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>		
<p>1. Article Addressed to: Coinbase, Inc. c/o CSC 2710 Gateway Oaks Dr., Ste 150N Sacramento, CA 95833</p>	<p>3. Service Type</p> <table border="0"> <tr> <td> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) </td> <td> <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
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<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>		